



## AmeriVault combines with disaster recovery service to become Venyu

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Healthcare IT firm PHNS is combining two service providers it acquired last year into a single entity, called Venyu, which will start offering data backup and disaster recovery (DR) services to customers this week.

Online backup service provider AmeriVault Corp. and data center disaster recovery managed service provider NTG were the companies picked up by PHNS. Former NTG CEO Scott Thompson, now the CEO of the combined entity, sat down with SearchDisasterRecovery.com last week to talk about the strategy for the new business and how backup and disaster recovery services are combining in the cloud.

**SearchDisasterRecovery.com:** Is this type of broadening of AmeriVault's data backup services to incorporate DR going to become necessary for other players in this market? And was this integration between the two companies planned before the acquisition or did it emerge as the two were integrated into PHNS?

**Thompson:** This was the plan prior to acquisition. We had already been doing these things just out of necessity. But I think the conversation for so long has only been about backup, and that's not really the conversation I think we need to be having. The conversation we need to be having is, what is your disaster recovery plan, period. And about the restorability of the data.

For instance, we don't do tape at all anymore. There's no tape in our environment. We won't do tape. We keep the customer's data at all times on spinning disk in diverse geographic locations.

**SearchDisasterRecovery.com:** AmeriVault was partnered with Asigra. Is that still ongoing?

**Thompson:** It is. EVault and Asigra are our primary backup technologies. EVault was partnered with NTG. We're now offering that not so much as a product differentiator as we are selling backup and will apply the right technical solution to the problem.

**Who do you sell EVault to and who do you sell Asigra to?**

**Thompson:** It really just depends. Obviously, Asigra is agentless. EVault has certain advantages in terms of having agents for SQL and Exchange. I don't necessarily prefer one over the other. Sometimes the customer's predisposed because they've heard of the technology from somewhere else.

**SearchDisasterRecovery.com:** How do you manage data growth and power and cooling while keeping everything on disk?

**Thompson:** Moore's law keeps working as it relates to the amount of data we can store on disk. Heat and power are the predominant problems in the data center. A lot of these problems have been solved or helped by virtualization. Both EVault and Asigra do data deduplication, and we use that across our vaults.

We're not really as far along as we need to be storage-wise, I think. SSD [solid-state drive] is coming along, but I want to know what is the next fundamental thing that we're going to do in the storage arena to help this problem, because the volumes of data that we're talking about -- tape can't do this. You can't get this done on tape. I don't care how large the jukebox is. The exponential growth of data that we're talking about is not going to be able to be managed on tape. We have to do this through disk of some kind whether solid state or rotational.

**SearchDisasterRecovery.com:** Either way, you see backup and DR converging across the storage industry.

**Thompson:** Yes. Just because of what we've experienced with Katrina and over the last five years, we're seeing customers coming to us and bringing us their tapes and they're unable to restore. It's not even about backup. Most of these companies have no DR plan because they don't think it's going to happen to them. The conversation needs to become about what disaster recovery means versus what business continuity means versus what high availability means. Because the backup is just a component of that.

**SearchDisasterRecovery.com:** Will you still be offering tiered online storage as AmeriVault did?

**Thompson:** We're actually kind of moving away from that. It's really hard to distinguish. If I'm moving from this disk to this disk, if I move it to an offline device, I can do that and that would be a cost differentiator. But there's not really any cost difference between our arrays -- we're primarily using SATA on EMC or NetApp arrays to store all this data. If we're talking about supporting someone's production environment, we're going to use Fibre Channel drives to create it. But this is primarily a backup and recovery offering.

**SearchDisasterRecovery.com:** What kinds of new services will the combined companies be offering?

**Thompson:** Along with our parent, we have a data center in Springfield, Mo., that's 85 feet underground. We keep two copies of the data for customers in two geographically diverse data centers. It allowed AmeriVault to bring services it hasn't previously brought to customers, like disaster recovery.

That was one of the offerings NTG had been offering since about 2004. During Katrina, we were in Baton Rouge and we were helping people do exactly what it is we're bringing to market now. We had a lot of their backup and virtualized images of their servers, and so there are several

examples where, the day after Katrina, clients were at our physical business continuity facility in cubicles with phones and internet, using their own production stuff exactly the way it was the day before.

**SearchDisasterRecovery.com:** PHNS is focused on healthcare IT. Will there be a healthcare focus to Venyu's offering?

**Thompson:** We are already protecting approximately 60 TB of compressed data for our parent. But we are going to continue to be operated as a standalone subsidiary of the company. We will help them where it makes sense to help them, but we're not going to focus strictly on healthcare.

**SearchDisasterRecovery.com:** With the new stimulus, there's a lot of money for digitizing health records and it's one of the hotter topics in storage. Won't PHNS try to take advantage of that?

**Thompson:** PHNS is acutely focused on electronic medical records. They are actively engaged in trying to find customers they can assist in with implementations of those things. A natural byproduct of that is just the huge amounts storage and information that are required, and the HIPAA retention requirements are anywhere from a year to forever. It's all PHI or patient healthcare information, so there are strict rules about the release of information. It's a good space for us to be in. Our parent is obviously helping a lot in helping us get into those markets.

**SearchDisasterRecovery.com:** If you do get healthcare customers, what kind of compliance assurance can you offer them, and what are some of the features of the service for supporting healthcare?

**Thompson:** All the products and services we offer are HIPAA-compliant.

**SearchDisasterRecovery.com:** What does that mean? Is there a certification you can get?

**Thompson:** No, you just have to follow the guidelines and the regulation as it relates to data privacy and the release of information. Our parent is very strict about making sure that all the things we do contractually are HIPAA-compliant. All the encryption standards we use are HIPAA-compliant. One of the problems with HIPAA right now is that there hasn't been a lot of enforceability of the act yet, and I think you're going to see that change with the stimulus plan.

**SearchDisasterRecovery.com:** What is the target market for Venyu?

**Thompson:** Small to medium businesses (SMBs), and we define that as the two to 20 server market. There is a huge need for people to have an affordable recovery solution. Since we have data center presence, we also have the ability to provide managed services and colocation. One example is Emmi Solutions out of Chicago. They were a backup customer of AmeriVault, and they had their production environment in a third-party data center. They heard about the acquisition and merger of the two companies and their contract was about ready to expire at this third party provider. So we moved their whole platform to Baton Rouge and we virtualized it at

the same time. We are now their data center provider as well as their backup provider and have a disaster recovery solution for them that includes our Springfield facility to recover to.

We're finding that a lot of customers have done a lot of virtualization work themselves, but we can do it if customers want that service. It's part of what we call our VDR bundle, which stands for Virtual Disaster Recovery. We do backup and server recovery in a virtualized way. We can do it physically as well. Almost everything is customized to a certain degree.