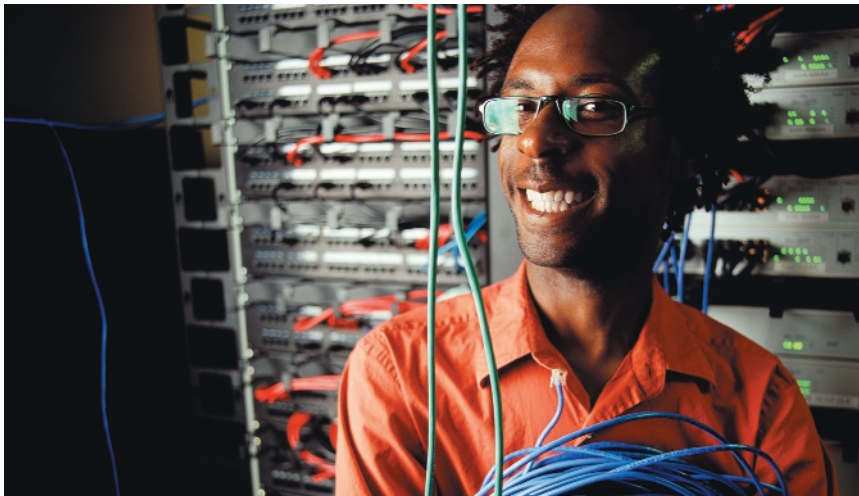


Dialtone Internet grows storage services with Tivoli software from IBM



Dialtone Internet Inc., an IBM Premier Business Partner, is a leading international provider of Linux® and Microsoft® Windows® managed dedicated hosting services. With data centers in Fort Lauderdale, Florida, Mexico City and London, Dialtone Internet supports a network of Internet servers, e-commerce applications and Web-hosting systems for customers located in the United States and 80 countries throughout Latin America, the United Kingdom, Europe and Asia. All the company's managed hosting products are based on IBM eServer® systems.

Overview

■ Challenge

Dialtone Internet needed a backup and recovery solution that could:

- *Scale to support more than 1,000 customers*
- *Support multiple platform environments*
- *Provide extensive diagnostic and reporting information*

■ Solution

IBM® Tivoli® Storage Manager

IBM Services

■ Results

More than doubled its number of storage customers

Realized an additional 2 percent revenue each month

Maintained current staff level despite massive increase in storage subscribers

Reduced storage system administrator's workload between 30 and 50 percent

Challenge: a growing client base

Dialtone Internet provides its customers with comprehensive hosted solutions—from hardware and software to network and management services, across Linux, Microsoft Windows and UNIX® platforms. The company also offers storage management services for customers on a daily or weekly basis to help them recover from hardware failures, restore files

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Alvaro Albarracin
President and CEO, Dialtone Internet

and mitigate the impact of hacker attacks. The service includes backup of customers’ server hard drives, security-rich storage in Dialtone Internet’s data center, data recovery in case of data loss and installation of data onto new systems.

“Our customers want a company that can manage their entire IT environment so they can focus on sales and marketing efforts. They don’t want to keep a high number of IT staff onsite. With us, they simply pay a rental fee and they can scale their environment quickly when they need to,” explains Alvaro Albarracin, Dialtone Internet president and CEO.

As Dialtone Internet’s customer base grew, its homegrown storage solution that was designed to support only Linux systems was running on low. It didn’t scale well to accommodate additional customers and didn’t provide reports needed to bill clients for services. It also could not provide diagnostic information, vital in alerting system administrators of possible data corruption during backups, before problems arose.

The company also needed a solution that would simplify and integrate its backup services. With its homegrown system, Dialtone Internet relied on multiple backup servers and RAID arrays, adding complexity to storage management and hours to system administrators’ workloads.

“We began to experience problems managing 100 customers,” says Albarracin. “What was going to happen when we had 1,000?”

Solution: a scalable, reliable solution

IBM Tivoli Storage Manager provides the robust features Dialtone Internet needs for its growing storage management service business. The company uses Tivoli Storage Manager to provide clients with fast backup and disaster recovery services. In addition, it relies on IBM support services, which provide extensive documentation, excellent technical support and rapid responses to inquiries and help seamlessly deliver the solution to customers.

“You never know when something bad is going to happen,” Albarracin says. “The disaster recovery module is by

far one of the most important features of Tivoli Storage Manager because when something does go wrong, you can recover quickly.”

Storage Manager runs on an IBM eServer pSeries® 620 and an IBM LTO Ultrium 3583 Scalable Tape Library. It supports approximately 500 Dialtone Internet customers and 3 to 5 terabytes of data; less than a year ago, Dialtone Internet provided storage services to only 200 customers and managed less than 2 terabytes of data.

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The enhanced monitoring and reporting of Tivoli Storage Manager enables systems administrators to identify failures before they occur and put in place better tracking capabilities for billing. The company has been particularly pleased with the reliability of Tivoli Storage Manager.

“Data loss is painful and intolerable. Tivoli Storage Manager never lost data for us. It has been stellar in that regard,” Albarracin adds.

Tivoli Storage Manager also helps Dialtone Internet expand its storage management offering. For example, the company previously had no way to provide offsite backups. Using Tivoli Storage Manager, it can now send offsite backups to a remote location, for a more complete disaster recovery plan with very little incremental cost.

Similarly, Dialtone Internet now offers customers the ability to manage their own storage and backups from the Web, using the Web-access features of Tivoli Storage Manager. This move provides clients with an even lower-cost storage management option.

“Tivoli software is the force behind our storage management service and helps us offer value-added services to our clients,” says Albarracin.

Results: revenue growth

Albarracin has seen an improvement in Dialtone Internet’s storage management services and positive business

results since the deployment of Tivoli Storage Manager.

The company has more than doubled the number of customers that have purchased its storage services, which Albarracin attributes, in part, to the IBM brand and the reputation of Tivoli software from IBM. Ultimately, the company hopes to see at least 50 percent of its customers subscribe to its backup and recovery services. It’s well on its way to achieving that goal; already, 35 percent of its customers now receive backup and recovery service, up from 10 percent last year.

“We have had a great experience with Tivoli software. It has been above and beyond what I expected,” says Albarracin. “Tivoli software is contributing 2 percent of revenue each month to our bottom line. I expect to see that number rise to 6 percent when we meet our goal of delivering the service to half our client base.”

The company also highlights the increased reliability and efficiency that it has experienced since its deployment of Tivoli Storage Manager. In fact, Dialtone Internet continues to rely on one full-time and one part-

time administrator to support storage management despite the massive increase in customers being supported.

“For our system administrators, the stress, work and hours that they put in are between 30 and 50 percent less than what they used to put in with the old system,” says Albarracin.

Future: expanding worldwide

In the coming year, Dialtone Internet plans to expand its storage management services to its Mexico City and London offices. The company is also evaluating other Tivoli software solutions to identify new business opportunities.

“When you add everything up—competitive pricing, peace of mind for data recovery, excellent customer support, great documentation—Tivoli Storage Manager is helping us deliver reliable backup and recovery services and grow our customer base in this area,” says Albarracin.

Tivoli software from IBM

An integral part of the comprehensive IBM e-business infrastructure solution, Tivoli technology management software helps traditional enterprises, emerging e-businesses and Internet businesses



worldwide maximize their existing and future technology investments. Backed by world-class IBM services, support and research, Tivoli software provides a seamlessly integrated and flexible e-business infrastructure management solution that uses

robust security to connect employees, business partners and customers.

To learn more

For information on Tivoli storage management solutions and integrated solutions from IBM, contact your IBM sales representative or visit **info.tivoli.com/storageforsuccess**

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