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Migrating from SBS?

Five Questions You Must Consider

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As of January 2014, Microsoft has discontinued its popular Windows Small Business Server (SBS) and replaced it with Windows Server 2012 Essentials.

While Microsoft is spinning this move as simply a product name change, it's much more significant than that. Server 2012 Essentials no longer contains Exchange and thus offers no email service,[i] the primary reason many customers adopted SBS. Microsoft has eliminated email from Essentials to strongly encourage—though perhaps "strong-arm" is a better choice of words—customers to move email, contacts and calendars, as well as documents, spreadsheets and presentations, to its Cloud-based Office 365 offering.

No doubt this move makes good financial sense for Microsoft, but does it makes sense for you? Is your organization comfortable with placing business-critical information such as email, contacts and calendars in the Cloud? What are your on-premises email options? This paper will help you make a decision that works for your business.

Replacing SBS: The Options

Essentially, you have four options:

1. **Embrace the Microsoft Cloud.** Migrate to a Windows Server 2012 R2 server (either Foundation, Essentials or Standard) and subscribe to Office 365 for email. Move years of email, contacts, calendars and distribution lists to Microsoft Cloud servers. You may need to rework your business processes and you will likely pay more per user.

2. **Pay Microsoft to keep your email out of its Cloud.** If you want to stay with Microsoft for email but keep your email on-premises, here's what you need to do: Move your SBS to the pricey Standard Edition of Windows Server 2012 R2 and install Microsoft Exchange Server on it. You can't use the less expensive Foundations or Essentials edition of Windows Server 2012 R2 because Exchange Server requires the Standard edition[ii]. You'll get to pay expensive User CAL licenses for both Windows Server 2012 R2 Standard[iii] and Exchange Server[iv].

3. **Adopt a third-party solution for email and collaboration.** Microsoft is not the only option for enterprise-class email. In fact, Microsoft Exchange alternatives have been successfully deployed by hundreds of thousands of companies. Some, like Kerio Connect, support both on-premises and Cloud deployments and offer an end-user experience very close to Exchange by supporting Outlook and other popular mail clients. Some, like Google Apps and Office 365, are exclusively Cloud-based without an on-premises option, and some significantly alter user experience and workflow.

4. **Stick your head in the sand.** Continue to use SBS as long as possible, even as it reaches end-of-life and end-of-support. This strategy is fraught with risk for any business that relies on email. As time goes on, it will become impossible to obtain additional user licenses for older versions of SBS, and it's already not possible to upgrade your old version to the final version—SBS 2011. This presents a distinct problem if your business continues to grow, and you won't be able to add new users. Further, troubleshooting and getting support will become increasingly difficult, especially as "end of support" dates for Exchange 2003 approach in the next few months and as end-of-support for Windows Server 2003 arrives next year[v].

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i   In addition to Exchange, former SBS components that are missing from Essentials include SharePoint, SQL Server, and Windows Server Update Services (WSUS). Visit Wikipedia and "Microsoft's Windows Sever 2012 Essentials FAQ," Microsoft

ii   Exchange 2013 System Requirements, Microsoft Website

iii   Windows Server 2012 R2 - Buy, Microsoft Website

iv   Microsoft Exchange Server Licensing, Microsoft Website

v   It Really Is Not Supported Next Year, SBS Diva Blog, September 29, 2013

5 Key Questions

Because Option 4—sticking your head in the sand—is a high-risk strategy, we don't recommend it and won't investigate it further in this whitepaper.

To decide which of the remaining options is right for you, consider the following key questions:

1. Does Cloud-based email work for your business?
2. What is the total cost of ownership, including software, hardware, ongoing per-user subscription fees, etc.?
3. How much and what kind of disruption will end users experience?
4. Is the replacement system you're considering easy to administer?
5. Is the vendor committed to small and mid-sized businesses?

Question 1: Does Cloud-based email work for your business?

For some organizations, the Cloud is a great fit. But many small companies have legitimate business reasons for not going with the Cloud. You'll need to think through three issues:

1. Is it appropriate and legal to store your data in the Cloud?
2. Will Cloud-based email increase your likelihood of being attacked?
3. Is your network connection reliable and fast enough?

Is it appropriate and legal to store your data in the Cloud?

Depending on your business and the type of data you typically receive or transmit via email, it may not be appropriate—or even legal—to store your data on another company's servers. Following is a sampling of macro and industry-specific concerns that apply to Cloud-based email:

- "US [data protection] law does not protect, from the client's point of view, the privacy of data that has been placed under the care of a third party (in Cloud services, for instance) from the government. According to the US Justice Department, you have no constitutional rights over your data once it is placed in the hands of an external service provider, and they can request this data without a warrant."[vi]

- European companies may find they can't comply with their country's data privacy laws if they store email in the Microsoft or Google Clouds. American companies are regulated by the US Patriot Act and must comply with data release requests from US law enforcement, even if a data center and servers are located in Europe and serve European users.[vii]

- Given these restrictions, law firms may not be able to comply with their ethical duty of client confidentiality[viii] if they use Cloud-based email.

- Canadian doctors are legally prohibited from storing patient data, including email, on out-of-country servers.[ix]

- International data privacy laws are expected to rapidly change in coming months, in reaction to revelations that the US National Security Agency has been forcing US Cloud technology companies to secretly turn over huge volumes of communications records and has been tapping private links connecting Google and Yahoo data centers.[x]

vi   Rodrigues, Thoran. "What US businesses should know about compliance and regulatory issues before adopting a cloud strategy," ZDNet, March 4, 2013.

vii   Baillie, Patrick. "Can European firms Legally Use U.S. Clouds to Store Data?" Forbes, January 2, 2012.

viii "Use of Cloud Computing In a Law Office," IT Law Group.

ix   Munn, Larry. "British Columbia's Privacy Laws Amended in Response to the US Patriot Act," Clark Wilson, LLP.

x   Gellman, Barton and Ashkan Soltani. "NSA infiltrates links to Yahoo, Google data centers worldwide, Snowden documents say," Washington Post, October 30, 2013.

Failing to comply with the privacy laws, regulations and ethical guidelines that apply to your business can be costly. Clearly, you must consider the location of your email data very carefully, especially if any communications even inadvertently contain personally identifiable information. If you have customers or users outside the US, you should exercise even more caution, because international law will continue to evolve.

Before moving to the Cloud, consult with an experienced attorney to ensure that you can comply with the regulations for your industry. If you are an IT service provider, make sure your clients also consult with attorneys who understand their industries. And strongly consider a solution that offers the option to deploy on premise.

Will Cloud-based email increase your likelihood of being attacked?

With all its users and its new, hybrid architecture's unique vulnerabilities, Office 365 is an attractive target for hackers and criminals. One such vulnerability, which has since been closed by Microsoft, would have allowed an attacker with an Office365 mailbox to gain access to an organization's email and SharePoint data[xi].

Other Cloud services are also at risk and increasingly targeted by Distributed Denial of Service (DDoS) attacks. Cloud email services are especially attractive to attackers because they support many users and significant amounts of data, and "cloud services' presence is advertised and the interfaces well-defined. You can count on unauthorized parties to access those services, with ensuing shenanigans."[xii]

Is your network connection reliable and fast enough?

In promoting Office 365 for email, Microsoft assumes that customers have reliable, high-speed Internet connections. Unfortunately, that is not always the case for businesses in rural areas and in many countries.

If you have many or large mailboxes, it will take significant time—days, weeks or even months—to migrate them to the Cloud, especially if your Internet connection is slow or unreliable. And once you've moved the data, you'll probably discover that you need a faster Internet connection. Email exchanged between people who sit next to each other needs to go to the Cloud first, which can measurably slow communications. If your broadband connection is unreliable or limited, you may find on-premises email more efficient and less expensive.

Question 2: What is the total cost of ownership?

Both Office 365 and on-premises Exchange Server are more expensive than SBS. In addition to license or subscription fees, you need to consider the cost of additional hardware, upgraded broadband connections, end user training and administration.

If you're considering Office 365—the Microsoft-preferred option—be aware that you will likely end up paying more per user than you might like. Your new costs will include the following:

- Microsoft Windows Server 2012 R2: Most SBS customers will move to either the Foundation or Essentials edition, both of which have server-based licensing, plus annual maintenance.
- Per-user subscription fees of at least $48 a year[xiii] for just email (Exchange 365) or $60 a year for the small business offering (Office 365). This cost is not included in the license fees of any edition of Windows Server 2012 R2[xiv].

xi   Details on Patched Microsoft Office 365 XSS Vulnerability Disclosed, Threatpost, January 20, 2014

xii   As cloud use grows, so will rate of DDoS attacks, InfoWorld, February 5, 2013.

xiii   Exchange Online Plans, Microsoft website

xiv   The Windows Server 2012 Essentials license fee is $501 per year for up to 25 users "Windows Server 2012 R2," Microsoft website

- Upgraded network: You may need to upgrade your broadband connection to handle the extra email traffic between your office and the Cloud.
- User training

If you are considering Option 2—replacing your SBS server with an on-premises Microsoft Exchange server and Windows Server, you will need to move to the more costly Standard edition of Windows Server 2012 R2 because Exchange Server cannot run on the Foundation and Essentials editions of Windows Server 2012 R2. Your costs include the following:

- Microsoft Windows Server 2012 R2 Standard (licensing based on processors and CALs, plus annual maintenance)[xv]
- Microsoft Exchange Server (either a standard server-based license or a standard CAL-based license, plus annual maintenance)
- A physical server with at least 8GB memory, to run both Exchange Server and Microsoft Windows Server 2012 R2 Standard.

If you go with Option 3— a non-Microsoft email solution such as Kerio Connect or Google Apps—your new costs depend on whether the solution is in the Cloud or on your premises.

If you choose a Cloud-based solution, your new costs are essentially the same as if you went with a pure Microsoft play: per-user subscription fees, upgraded networks and user training.

If you choose an on-premises solution, your costs depend on whether you require a separate box. You'll need to consider hardware specs and whether the new box requires a "server class" operating system—as opposed to a less expensive desktop version like Windows 7 or 8.

Note that Kerio Connect running on your premises does not require its own physical server and can also run on the less expensive Foundation and Essentials editions of Windows Server. In fact, Kerio Connect does not even require a "server class" operating system; you can run it on desktop versions of Windows or Mac OS X, on top of an old (read: inexpensive) desktop computer. You can also deploy Kerio Connect within a virtual machine (VMware or Hyper-V) to run it on the same physical machine as your other business applications. The choice is yours; you can pick the deployment that best leverages your existing infrastructure.

Question 3: How much disruption will end users experience?

Some alternatives to SBS may disrupt end users, and you'll want to evaluate how each option will impact them. Will they, for example, be able to access the email, calendar, contacts, task and collaboration features they depend on? Can they continue to use their favorite devices and email clients? Will they require training? Can activities that relied on Exchange public folders or custom code be replicated on the new system?

If you move email to Microsoft Office 365, users with large mailboxes are likely to experience disruption at or around the 50GB limit. Users with Outlook 2003 will need to upgrade to a newer Outlook client. And you will also want to consider if it is an opportune time to move users to other Office 365 suite applications—Word, Excel and PowerPoint. You will want to make sure these new versions aren't incompatible with your other applications and business processes!

In the case of non-Microsoft email solutions, users who rely on Exchange public folders for sharing contact lists, documents and mailboxes[xvi] are likely to be impacted. Many third-party Exchange alternatives do not offer equivalent support for Exchange public and shared folders.

xv   Windows Server 2012 R2 - Buy, Microsoft website

xvi   Migrate from Exchange Public Folders to Microsoft Office 365, Microsoft website

Note that Kerio Connect supports the Outlook client all the way back to Outlook 2003—Office 365 does not—and does not try to force an upgrade to newer versions of Microsoft Office programs. Also, Kerio provides public folders that behave like Exchange public folders, while Google Apps does not.

In short, Kerio offers an SBS alternative that minimizes end user productivity disruption, while other email choices may require significant changes to your business processes.

Question 4: Is the replacement system you're considering easy to administer?

Regardless of the option you choose, you'll need to consider how much easier—or not—it will be to administer than SBS. If you are an IT service provider, administrative difficulties will likely mean that you can't profitably serve as many clients, while small and mid-sized businesses may need to hire additional IT staff.

Option 1—coupling a Windows Server 2012 R2 with Office 365—is quite complex. You're confronted with six editions of the product, 12 plans for small and mid-sized businesses, two pricing tiers within each plan and add-on plans that provide access to specific services like SharePoint. Option 1 is a hybrid solution that is far more complicated than SBS. Further, because Office 365 cloud-based email is not as full-featured as the SBS Exchange server, you may need to redesign business processes or create custom code, making the system more difficult to manage day-to-day and keep up to date.

Option 2—Windows Server 2012 R2 Standard with an on-premises Microsoft Exchange Server—is also difficult to administer. Exchange Server is notoriously difficult to configure and administer. Further, Microsoft does not provide detailed instructions about how to migrate from prior SBS versions to Exchange 2013; general instructions are not geared to small and mid-sized business configurations.

With Option 3—a non-Microsoft email and collaboration solution—administrative time and complexity will obviously vary. However, note that Kerio Connect was specifically designed to make administration as easy as possible for small and mid-sized businesses and their IT service providers. By eliminating the many features of Exchange that were only useful to massive enterprises, Kerio was able to streamline the most common administrative tasks and tailor Kerio Connect's administrative user interface for maximum usability. The result is a product that has always been far easier and less time-consuming to manage than Exchange and its many variations.

Question 5: Is the vendor committed to small and mid-sized businesses?

A final—and critical—concern is the degree of commitment an email solution vendor has demonstrated to serving small and mid-sized businesses. Without a firm commitment, you risk having to move your email infrastructure again and probably sooner than you'd like.

Microsoft's discontinuation of Essential Business Server in 2010[xvii] and Small Business Server in 2013 and its distinctly non-robust replacement options demonstrate that the company prefers to serve large enterprises and consumers. Microsoft also has a history of attempts to undermine the relationship of IT service providers with their customers, from refusing to allow IT service providers to directly bill their own customers[xviii] to repeatedly slashing the margins they receive on Office 365 licenses to shuttering the Solutions Incentive Program (SIP).[xix] One might well ask: What will Microsoft discontinue next?

That said, Google may be a worse bet, given its history of pulling the plug on popular products with scant warning.

xvii   Kolakowski, Nicholas. "Microsoft to Discontinue Windows Essential Business Server, eWeek, March 5, 2013

xviii Nielsen, Todd. "Feeling Office 365 Squeeze, Microsoft Resellers Lash Out, Wired, March 28, 2012

xix   McLaughlin, Kevin. "Microsoft Partners in Uproar over Cloud Sales Commission Cuts," CRN, January 10, 2014

Recent examples include its discontinuation of support for the free edition of Google Apps[xx], its immediate discontinuation of the Google Sync and Google Calendar Sync programs that allow users to sync email and calendars with Outlook[xxi] and its elimination of the enormously popular Google Reader with just 15 weeks' notice. According to Forbes Magazine, "Google's handling of this incident [Google Reader] shows they lack an understanding of some of the basic ways enterprise IT works," and Google has "a tendency towards both arrogance and blindness from a corporate perspective."[xxii]

In contrast, Kerio has historically considered small and mid-sized businesses its primary market, serving more than 60,000 global customers with millions of end users. The Kerio Connect feature set is designed specifically to meet the needs of these businesses and their IT service providers. Kerio Connect focuses on usability and eliminates much of Exchange's complexity as well as features that are geared to huge enterprise deployments with thousands of users.

Conclusion

Although SBS has reached its end of life, you have far more choices for enterprise-class email than Microsoft would have you believe. You can, of course, choose Microsoft's Cloud offering, Office 365. You can continue with Microsoft Exchange on-site—but at a substantial extra cost. Or you can consider third-party email solutions, such as Kerio Connect (offering both on-premises and cloud options) or Google Apps.

The following table compares how each of these options addresses our five key questions.

CRITERIA	OPTION 1: EMBRACE THE MICROSOFT CLOUD	OPTION 2: ON-PREMISES MICROSOFT EXCHANGE ON SECOND SERVER	OPTION 3A: KERIO CONNECT	OPTION 3B: GOOGLE APPS	OPTION 3C: OTHER EMAIL
1. OPTION TO KEEP EMAIL ON-PREMISES	No. Cloud email is mandatory.	Yes.	Yes. Kerio supports both Cloud-based and on-premises options.	Google offers only Cloud-based email.	Varies.
2. TOTAL COST, COMPARED TO SBS.	Probably higher, due to per-user subscription pricing.	Cost is significantly higher for two separate Microsoft server licenses plus per-user CALs.	Probably less expensive for on-premises deployment (comparable to SBS) but considerably less than Exchange (option 2). Cloud-based pricing depends, and is based, on per-user subscription pricing.	Depends, but is based on per-user subscription pricing. No perpetual license option.	Varies.
3. POTENTIAL DISRUPTION TO END USERS	High potential. Workflows using public folders and custom code may be reworked.	Low potential.	Low potential.	High potential for disruption because the user experience is very different, requiring training and reworking of business processes.	Varies.
4. EASE OF ADMINISTRATION	Difficult to administer. A hybrid half-Cloud / half-on-premises deployment is significantly more complex.	Very difficult to administer: two servers instead of one increases complexity, plus Exchange is notoriously difficult to administer.	Very easy to administer but still provides advanced administration functionality.	Easy to administer but lacks advanced administration functionality.	Varies.
5. COMMITMENT OF VENDOR TO SMALL & MID-SIZED BUSINESSES.	No. Otherwise you would not be reading this paper.	No. Otherwise you would not be reading this paper.	Kerio specifically targets small and mid-sized businesses and service providers, not large companies.	No.	Varies.

xx   [Google Apps, No Longer Free for Small Organizations,](#) Google Operating System blog (December 7, 2012)

xxi   [Burgess: Rick, "Google drops Gmail Outlook sync support, Microsoft 'surprised',"](#) TechSpot. December 18, 2012

xxii [Kepes, Ben. "Can Google Be Trusted As a Cloud Infrastructure Vendor?"](#) Forbes, October 9, 2013

Many organizations will discover that Kerio Connect is the ideal, cost-effective replacement for SBS email. Kerio Connect helps small and mid-sized businesses retain flexibility through its on-premises and Cloud-based deployment options. This is particularly important to IT service providers, who must respond to their clients' legal and ethical considerations around Cloud-based data storage.

Kerio Connect allows end users to work with minimal disruption. They can continue to use favorite email clients, such as Outlook, and take full advantage of their capabilities. Kerio also fully supports public and shared folders, meaning that business processes do not need to be unnecessarily re-engineered.

Arguably, Kerio shines in its ease of administration. Kerio Connect—and indeed all Kerio products—are designed to help busy administrators, whether working at a single company or for an IT service provider that supports multiple clients. As a result, Kerio Connect has been remarkably successful and has proven itself as the email platform of choice for small and mid-sized businesses, with more than 60,000 customers and millions of users.