

## Gartner chooses Savvis as tops in Web hosting

### Savvis is at the top of Gartner's Magic Quadrant

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Gartner has placed Savvis at the top of its Magic Quadrant listing of Web hosting firms for the first time in the managed service provider's history.

Savvis bested IBM, AT&T, Verizon Business and Qwest for this honor, which was announced in an August report. Gartner ranked 12 Web hosting providers in terms of their completeness of vision as well as their ability to execute on that vision.

Gartner praised Savvis for its broad portfolio of services, particularly its utility offerings. Gartner says Savvis has focused on standardizing its infrastructure and using automated management.

Savvis "has a strong vision of utility computing that is distinguished by a solid track record of stable delivery of utility offerings to a significant range of customers, and its blade-based utility pricing can be competitive," Gartner says. "Its other offerings are also solid, and priced on par with the market."

Gartner says Savvis offers reliable engineering and service delivery but that its customer service is average. Gartner says Savvis' customer portal is better than average.

"Consider Savvis for both simple and complex configurations, particularly if you have unpredictable growth or seasonal usage patterns," Gartner recommends.

Gartner ranked IBM second and AT&T third in its Web hosting report. In Gartner's 2004 report, IBM was first, Savvis second and AT&T third.

Gartner says IBM remains strong in traditional managed hosting environments but has not attracted many customers for its utility offerings.

"The quality of service delivery depends highly on the account team and can range from mediocre to superb," Gartner writes of IBM. "Even within North America, IBM sometimes subcontracts smaller customers, particularly those with six servers and fewer, to small regional Web hosters."

Gartner says IBM's pricing is higher than other players, and the company's sales team doesn't always back its service-level agree-

ments (SLA) with financial penalties. Gartner says IBM's strength is in complex engagements that require a range of IT services including Web hosting.

"Consider IBM if you need enterprise applications hosting or management of custom application code, or if you have complex Web hosting requirements that involve at least 15 servers," Gartner recommends.

Like IBM, AT&T charges premium rates for its Web hosting services. Gartner says it is the market leader in offering co-location and add-on services on an a la carte basis.

AT&T's "technical competence is very strong, both in engineering and operations, and its customer portal is above average in quality," Gartner says. "However, AT&T's key weakness is in customer service. The company is almost purely reactive although customers can pay to purchase certain proactive services."

Gartner says AT&T's sales process is complex and slow. "Overall, AT&T can come across as uncaring and highly rigid," Gartner says.

Gartner's findings are a boon for Savvis, which entered the Web hosting market four years ago. Today, Savvis has 25 data centers worldwide and supports more than 5,000 enterprise customers.

The Gartner report "is extremely significant," says Bryan Doerr, CTO of Savvis. "It shows our clients that we are now the leader in the managed hosting space. We are the folks not just able to envision a new capability, but we have the most resources, the best likelihood of executing on that vision."

Savvis is especially proud of the growth in its utility services, which have been on the market for two years. Savvis has 1,425 virtual servers under management through this service, along with 370 terabytes of storage and 1,250 firewalls and load balancers.

Doerr says companies are turning to Savvis' utility offerings to reduce their IT costs as well as to increase availability and security. Other benefits of utility computing are being able to rapidly respond to usage growth or seasonal usage patterns, as well as compliance with auditing requirements for regulated industries.

"The first companies to make the choice to our type of utility platform are those that have the most explicit visibility of their true IT costs," Doerr says. "When you have multiple sites and multiple IT personnel, it shows up very quickly. These companies are looking for solutions that offer growth and availability."

Chalk Media, a Canadian e-learning company, migrated to Savvis' utility platform over the summer to support its push into the U.S. federal government market. Chalk Media says it chose Savvis because of its solid reputation and its ability to ramp up network services quickly in case Chalk Media wins one of its government bids.

"We're going after some really large customers like the Army. If you land one of these great e-learning clients, you could all of a sudden have a million users on the system," says Jody Glidden, executive vice president of Chalk Media. "What we really liked about Savvis was their respond-on-demand infrastructure. It's easy for them to flip on the amount of services we need, and we only get charged for what we use."

Chalk Media's e-learning application uses TV quality video and requires a high-bandwidth network platform. Glidden says Savvis offered the most cost effective method of providing that platform.

"Everything has gone off very well so far [with Savvis]," Glidden says. "I was very pleased to see the news from Gartner this week. It reassures me that we picked the right company with Savvis."

Based in St. Louis, Savvis has posted improved financial performance this year. In July, Savvis announced revenue of \$189.6 million for the second quarter, up from \$180 million in the first quarter and \$167.2 million in the second quarter of 2005. Savvis' consolidated net loss narrowed to \$11.1 million for the second quarter of 2006, compared to \$12.4 million in the first quarter and \$21.3 million in the second quarter of 2005.

