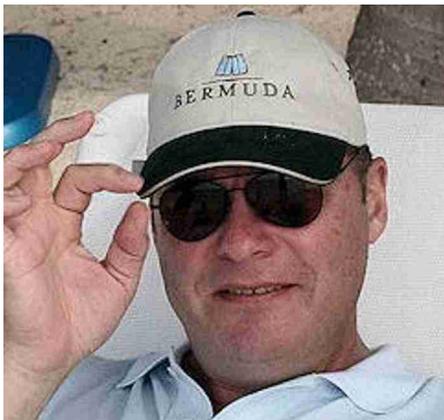# Founder of the Online Backup Industry, Remote Backup Systems is providing Brandable, Scalable Software and Solutions that allow MSP and VAR Partners to provide Online Backup Services to Consumers, Enterprises and Governments

**Technology
Backup Systems**

**Remote Backup Systems
2565 Horizon Lake Drive
Memphis, TN
901-405-1234
www.remote-backup.com**

**Rob Cosgrove
CEO**

**BIO:**
Rob Cosgrove is the President of Remote Backup Systems, founder of the Online Backup Industry, and a vocal advocate for maintaining the highest standards in Online Backup software. His latest book, the Online Backup Guide for Service Providers: *How to Start and Operate an Online Backup Service* is available online now, on Amazon.com, and at bookstores.

**About Remote Backup Systems:**
Remote Backup Systems provides brandable, scalable software and solutions to MSPs and VARs enabling them to offer *Online Backup Services.*

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

**CEOCFO:** Mr. Cosgrove, would you tell us about the concept at Remote Backup Systems?
**Mr. Cosgrove:** Remote Backup Systems produces software that our partners use to backup their end users' computers. Online Backup has been around since we invented it in 1987. Client software lives on the customer's computer, and Server software lives in a data center. The software in the customer's computer wakes up periodically and backs up the data and sends it over the internet where it is stored in a data center. If the computer is lost or stolen, or if someone just simply erases data that should not have been erased, it is easy to restore it online. We provide this software to partners who are usually Managed Service Providers (MSPs) and Value Added Resellers (VARs) and other small computer professionals. They use it to offer online backup solutions to their clients. The software is brandable, it is highly customizable, and it allows each partner to deliver unique customized solutions.

**CEOCFO:** What makes your software better, faster, cheaper, easier? What is your competitive advantage?
**Mr. Cosgrove:** We really only have three direct competitors who produce software and services similar to ours. They are all based overseas, and they really do not directly impact our business very much. Most of our competition is indirect. It comes from companies like Carbonite and Mozy who

compete directly with our partners, rather than with us. Our partners usually choose us because we have vast experience in the business, and of course our liberal branding policy for the software. We have the resources that allow them to compete with Mozy and Carbonite, and they can do so with completely branded solutions. Of our competition, we are the only U.S. based company who does exactly what we do.

**CEOCFO:** Do people care that you are U.S. based?
**Mr. Cosgrove:** Yes, they sure do. One of our competitors is in India, and one of them is in Hong Kong. People want to speak with someone who has a flat accent or speaks English as a native language. Also, there is a time zone thing. If you are in trouble with a backup, if a backup fails and you need to contact tech support, you want to be able to pick the phone up and contact somebody who can talk to you right away. And yes, that is important for our people.

**CEOCFO:** I agree that people should, it just does not always translate.
**Mr. Cosgrove:** I wonder about that. I wonder about it morally whether I can use that to compete with people, but yes if it works then I will.

**CEOCFO:** I am always personally concerned about security, as I am sure many people are. How do we know the data is really secure? There are breaches everywhere, all of the time.
**Mr. Cosgrove:** Yes there are. The software can apply any of seven types of encryption technologies ranging

from DES to AES and Blowfish, with key lengths up to 448 bits. It is about as secure as you can get. End users select their own encryption keys, which are never sent to the Server. Backed up files are compressed, encrypted, deduplicated, and digitally signed at the Client, and are transmitted over the Internet with high encryption. Backup files are stored on the Server in the same compressed, encrypted, signed state. The filenames are removed and never transmitted. All this makes us compliant with HIPAA and virtually all other data privacy and security regulations worldwide – unlike our Chinese and Indian competitors. Digital signing protects the integrity of the backup data, ensuring that no viruses attach to it, and on restore, guaranteeing that the restored copy is a perfect match for the original. Nobody can view the data, not even the Server operator, without the encryption keys. It's safe even if it is stolen.

**CEOCFO:** Great answer! Do most resellers offer backup? Is it pretty common, or are there still many that do not and maybe do not even know that you have an offering that they can use?

**Mr. Cosgrove:** There are more and more MSPs going into business these days. It use to be that we had trouble selling our service, and they had a little bit of trouble selling their service because they had to first go out and find a customer, and then convince the customer that he needed to do a backup, and then convince him that doing it online was safe and secure and could be done in a reasonable amount of time. That is not the case anymore. These days, with the consumer grade companies out there buying ads all over the place, everybody hears them on the radio, especially Carbonite. End users are becoming far more aware that it is a good alternative, and for some, it is the only alternative. They may not have a way to back it up locally. About four years ago or so, we started hearing from our partners - and from new people who were not even partners yet. They would call us up and say, "Hey, my end users are asking

me for online backup. What do you have that can help me do this?" and that is mostly the way it is these days. Demand is being driven from the end user up.

**CEOCFO:** How do you reach your potential customers?
**Mr. Cosgrove:** Whether they hear about us initially from a press release or a blog post or one of our ads, 100% of our customers who become partners use the web to research the industry and the players before they buy from us. We meet them in cyberspace. Our online tracking and CRM systems are state-of-the-art, and they let us engage with our customers very early on and to learn their needs. Right away we assign a consultant to each customer, and we follow up with phone calls, emails, demo software, and online presentations.

**CEOCFO:** How is business these days?

**"Remote Backup Systems is a solid and mature company that founded the online backup industry, we have vast experience in the business, and a strong history of working very closely with our partners."**
**- Rob Cosgrove**

**Mr. Cosgrove:** Business took a dip during the recession. Not much of a dip, because the cloud computing market is going up, up, up and we are part of that market, so business is better. We have experienced a 30% growth for the past three years, but it is accelerating now and we expect to grow organically at a rate of about 60% a year for the next three years.

**CEOCFO:** What are some of the differences in what you are offering?
**Mr. Cosgrove:** There are differences in the products that are out there. The consumer grade services that you hear advertised most often are designed for home users. This is software that can backup individual files; things like your email, your word documents, your pictures, and your videos—the things that are on your personal computer, or for a very small business. For those people, that is adequate. However, our software is designed for business use. While we

do have a product for personal users, most people buy our software to backup businesses. We concentrate on Windows' platforms, mostly Windows' servers, which have Active Directory, Exchange, SQL Server, System State, SharePoint, all of those databases, and we are very good at backing up the critical business data that lives in those databases. Also, open and locked files. We have a lot of features in our software that you would not need for personal use, but you do need for business.

**CEOCFO:** What are the differences in the products you offer to different businesses? Are there tweaks by industry? Can you give me a sense of what you are offering, or how your offerings work?
**Mr. Cosgrove:** We have two products, however; RBackup is our core product. It is a very, very flexible product. It is white labeled, it is brandable, it can be customized fit just about any backup need. All of our customers who buy the software customize it for their particular needs. I will give you an example: we have a number of customers who sell vertical market software. We have one customer who sells point-of-sale software to restaurants. He has included our software as part of his; he has embedded it as a menu choice on his software. It is branded just like his regular software, and it runs as a part of his regular software and it backs up his software's data files only, so it is customized for that. That can be done for any vertical market industry. We have people who concentrate on personal users. We do have people who try to compete directly with the cheap ones for $60 a year. You can do that if you get a whole lot of customers. For that, they turn off most of the advanced features of our software. They turn on a very simple interface, and they have it automatically select files. The end user's experience is: he goes to a website, he puts a credit card number in, downloads the software, it installs automatically and just starts working. That is adequate for someone with a laptop with pictures and recipes on it. That very same software can be used

as an enterprise solution, and it would run in a data center. The data center would monitor the laptops and the desktop computers and the servers throughout the company, and back those up using the more advanced features of the software.

**CEOCFO:** What is ahead for the company?
**Mr. Cosgrove:** We do have a growth plan. We expect a 60% per year growth over the next three years. I think it may be more than that, but we are shooting for 60%. We have a complete product re-work coming up. We are moving about half of its fea-

tures into the cloud, and we are going to offer more features for our partners; things like a common client customization portal. We are going to release it in beta probably in the next two weeks. The portal has graphic conversion utilities to allow our service providers to brand the software easier; a file sharing system will be built into it; virus protection, support for smart phones and tablets, lots of stuff.

**CEOCFO:** What makes Remote Backup Systems a special company? Why should investors and people in the business community be paying

attention to Remote Backup Systems?
**Mr. Cosgrove:** Most analysts agree that cloud computing and specifically the online backup segment will grow pretty fast over the next five years. Remote Backup Systems is a solid and mature company that founded the online backup industry, we have vast experience in the business, and a strong history of working very closely with our partners who actually suggest most of the new features and changes in our software.

# Remote Backup Systems

**2565 Horizon Lake Drive**
**Memphis, TN**
**901-405-1234**
**www.remote-backup.com**