

HOSTEDBIZZ

HostedBizz founders riding high on the cloud

YEAR FOUNDED: 2012
LOCAL HEAD COUNT: 8
KEY MARKETS OR CUSTOMERS:
SMALL AND MEDIUM-SIZED
BUSINESSES THAT CAN'T
AFFORD THEIR OWN IT
INFRASTRUCTURE
PRODUCT OR SERVICE:
VIRTUAL SERVERS AND
DESKTOPS; CLOUD-BASED
CRITICAL DATA BACKUP
AND RECOVERY

THREE-YEAR
REVENUE GROWTH:
1,072.76%

When tech veterans and longtime friends Paul Butcher and Jim Stechyson each found themselves looking for a new business challenge a few years ago, it didn't take them long to hit upon the perfect backup plan.

That's backup, as in data backup. Mr. Butcher and Mr.

Stechyson surveyed the tech landscape and realized there was a vast, untapped market opportunity in offering cloud backup and data recovery services to small and medium-sized enterprises that can't afford the infrastructure to do it themselves.

In June 2012, the Manotick neighbours became business partners, turning their idea into a company called HostedBizz. The self-funded enterprise was profitable almost right from the get-go, and four years later it has landed in the No. 2 spot on *OBJ's* list of Fastest Growing Companies.

"The small, medium enterprise is massively underserved when it comes to having robust, enterprise-grade IT infrastructure," explains Mr. Stechyson, the former president of

audioconferencing system provider ClearOne Canada. "The cloud really makes that enterprise-grade IT available to the SMB space."

Customers pay a monthly fee for which HostedBizz provides cloud-based infrastructure such as virtual servers and desktops. More importantly, its data backup and disaster recovery service offers something even more valuable: peace of mind.

The company's software continually monitors clients' on-site servers and stores all new data – everything from human resources records to accounting spreadsheets – at a secure location in Kanata.

Should anything happen to the data at a customer's office – for example, a server gets destroyed in a fire or flood or an employee accidentally deletes key



HostedBizz founders Jim Stechyson and Paul Butcher. PHOTO BY MARK HOLLERON

e-mails – that information can be quickly recovered.

"Literally in minutes, we can restore that customer's computing environment in our cloud while they deal with their disaster," says Mr. Butcher, a native of London who moved to Ottawa in 1999 and spent more than a decade as Mitel's president and chief operating officer. "Having that security that you can recover (vital information) is really, really good value for people."

Many small businesses never recover from a major loss of critical data, Mr. Stechyson says, adding studies show about two-thirds of all

companies that suffer such a calamity end up failing within two years.

"Being able to give them a business continuity and disaster recovery plan that's very affordable is huge," he says, noting the disaster recovery industry is projected to grow to \$12.5 billion worldwide by 2018. "It is a very, very high-growth market."

Mr. Butcher says the nation's capital is an ideal place to launch such a business, not only because of its highly skilled workforce but also because it is fortuitously located between Canada's two

largest cities.

"Ottawa is viewed as a very good disaster recovery location for businesses in Toronto or businesses in Montreal," he says. "Having that geographic dispersion, particularly for large customers, they see real value."

The company has also entered into lucrative arrangements with a number of IT channel partners who then rebrand HostedBizz's services and offer them to their own clients. Although most of its customers are based in Canada, the founders expect to start targeting clients in the United States in the next couple of years and are already eyeing other major markets such as the United Kingdom.

"We've really, really just started that acceleration," says Mr. Stechyson. "It takes two or three years to really get out and evangelize the benefits of cloud and this nascent market. The gas pedal is really starting to get pushed."

– By David Sali