2016 State of Data Security and Compliance Report

Businesses are Waking Up to Cloud Data Security Gaps

ipswitch

VansonBourne

Intelligent Market Research

2016 State of Data Security and Compliance Report

IT Teams are responsible for the business systems and IT services that make business happen. In today's borderless enterprise protecting data in motion to support business processes that include systems and people is a top priority for IT. There is a lot of technology already in place to enable business integration, but protecting data end-to-end with access control is critical. Equally important, however, is technology that enables organizational agility to quickly identify and respond to threats and risks.

How We Did It

Ipswitch and Vanson-Bourne polled 555 IT team members who work in companies across the globe with greater than 500 employees, between October-November 2015 to learn about their file transfer habits and goals.

Demographics

255 in the US and 300 in Europe (100 each UK, France and Germany)

Totals by industry:
Banking/finance: 15%; Government 15%; Healthcare 16%; Manufacturing 10%; Insurance 6%; Retail 6%; Construction, Media/Entertainment, Education, Telcom, Travel 32%

The Importance of Secure Data Integration Around the World

Respondents within IT teams across the globe say data security is very important to their organization and **most either have or plan to have in place organizational policies that restrict use of insecure file transfer technology**. But the reality, as shown on page 4 below, is that insecure cloud file sharing tools are still being used.
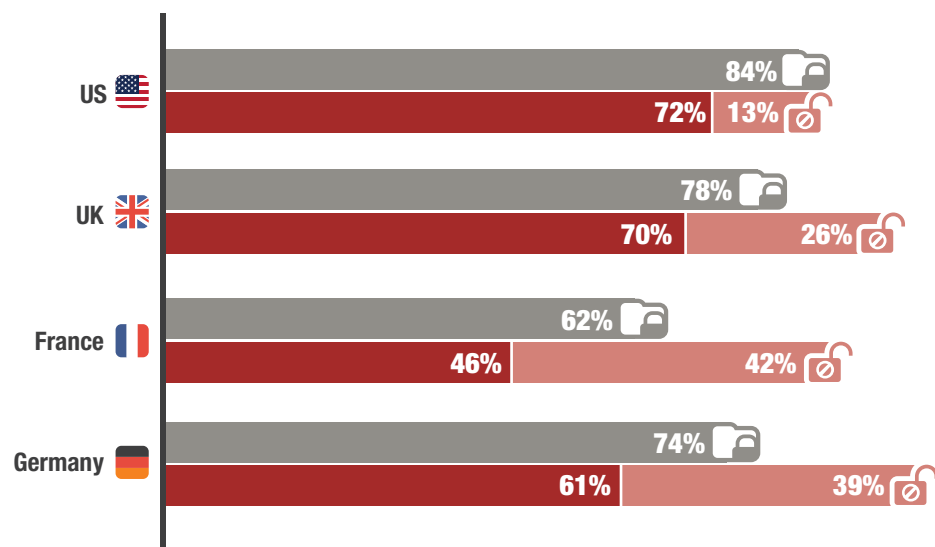
US 🇺🇸	84%	
	72%	13%
UK 🇬🇧	78%	
	70%	26%
France 🇫🇷	62%	
	46%	42%
Germany 🇩🇪	74%	
	61%	39%

Percentage who say the ability to **securely transfer and share files** is very important

Percentage with **policies already in place** prohibiting use of certain file transfer solutions

Percentage who **plan to put policies in place** to prohibit use of certain file transfer solutions

The Importance of Secure Data Integration Across Industries

Data integration across the supply chain, between your protected data center and remote data centers, or between cloud applications and on-premises applications, all require data transfer across the open Internet. Protecting data in-motion to comply with corporate policies, industry regulations, or data privacy laws is very important across all industries, but **even more so in regulated industries like Finance/Banking and Healthcare.**

US Results

Industry	Securely transfer	Policies in place	Plan to put policies
Banking & Finance	90%	90%	10%
Insurance	92%	69%	15%
Healthcare	90%	80%	10%
Government	82%	74%	15%
Manufacturing	81%	69%	19%
Retail	86%	79%	21%
Other	79%	63%	12%

Europe Results (FR, UK, DE)

Industry	Securely transfer	Policies in place	Plan to put policies
Banking & Finance	63%	61%	31%
Insurance	79%	63%	32%
Healthcare	74%	62%	32%
Government	60%	56%	42%
Manufacturing	77%	50%	40%
Retail	83%	72%	28%
Other	76%	57%	38%

Percentage who say the ability to **securely transfer and share files** is very important

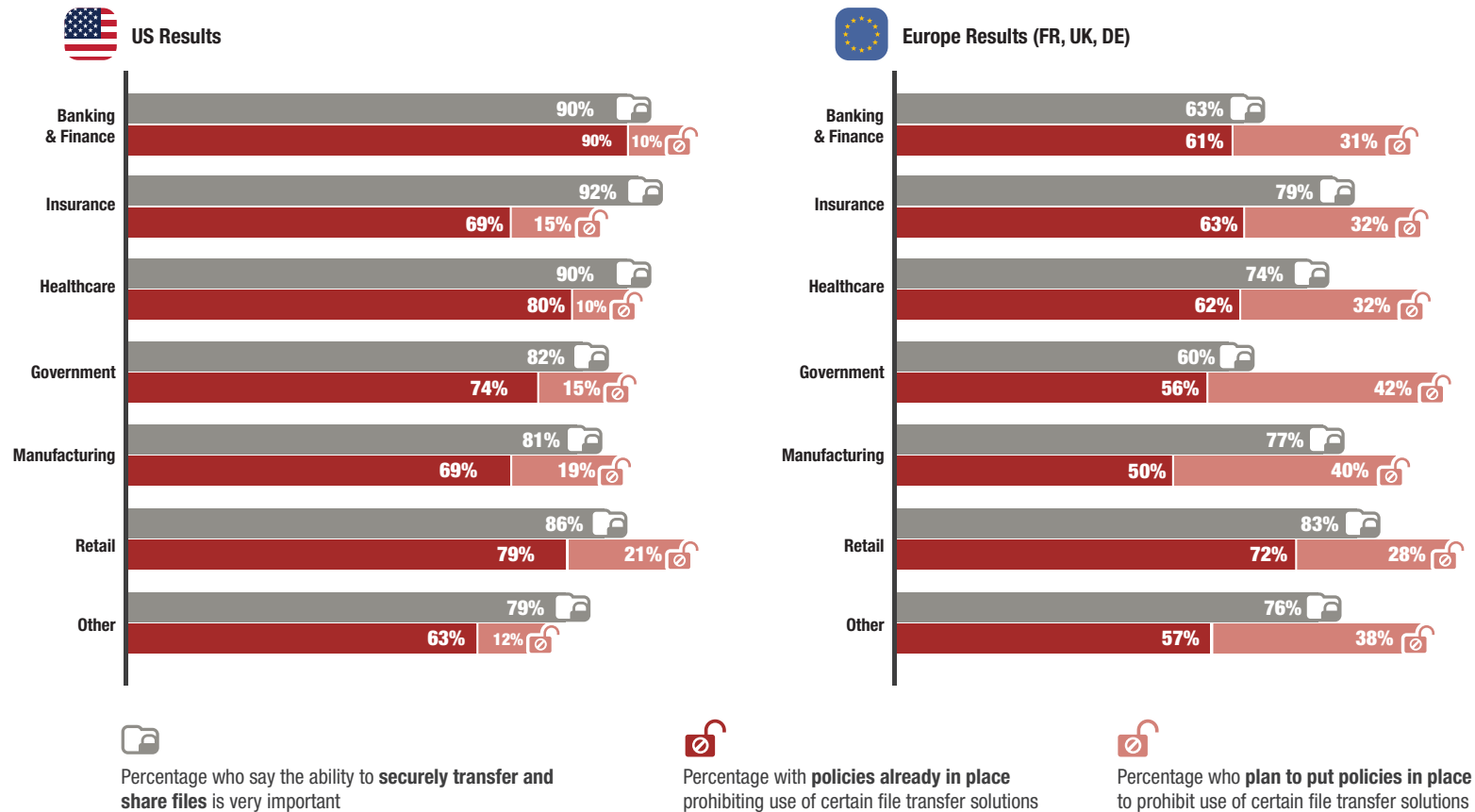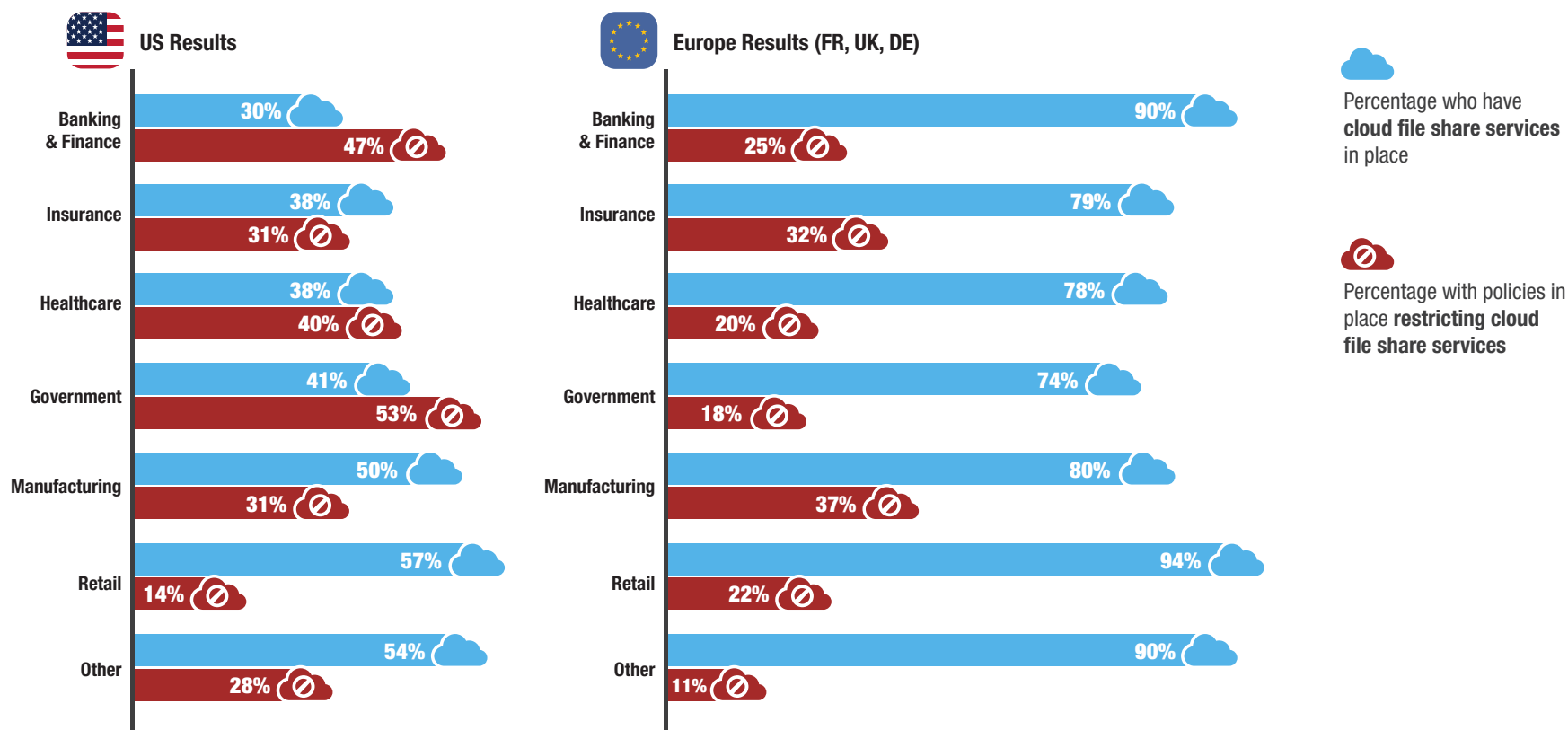Percentage with **policies already in place** prohibiting use of certain file transfer solutions

Percentage who **plan to put policies in place** to prohibit use of certain file transfer solutions

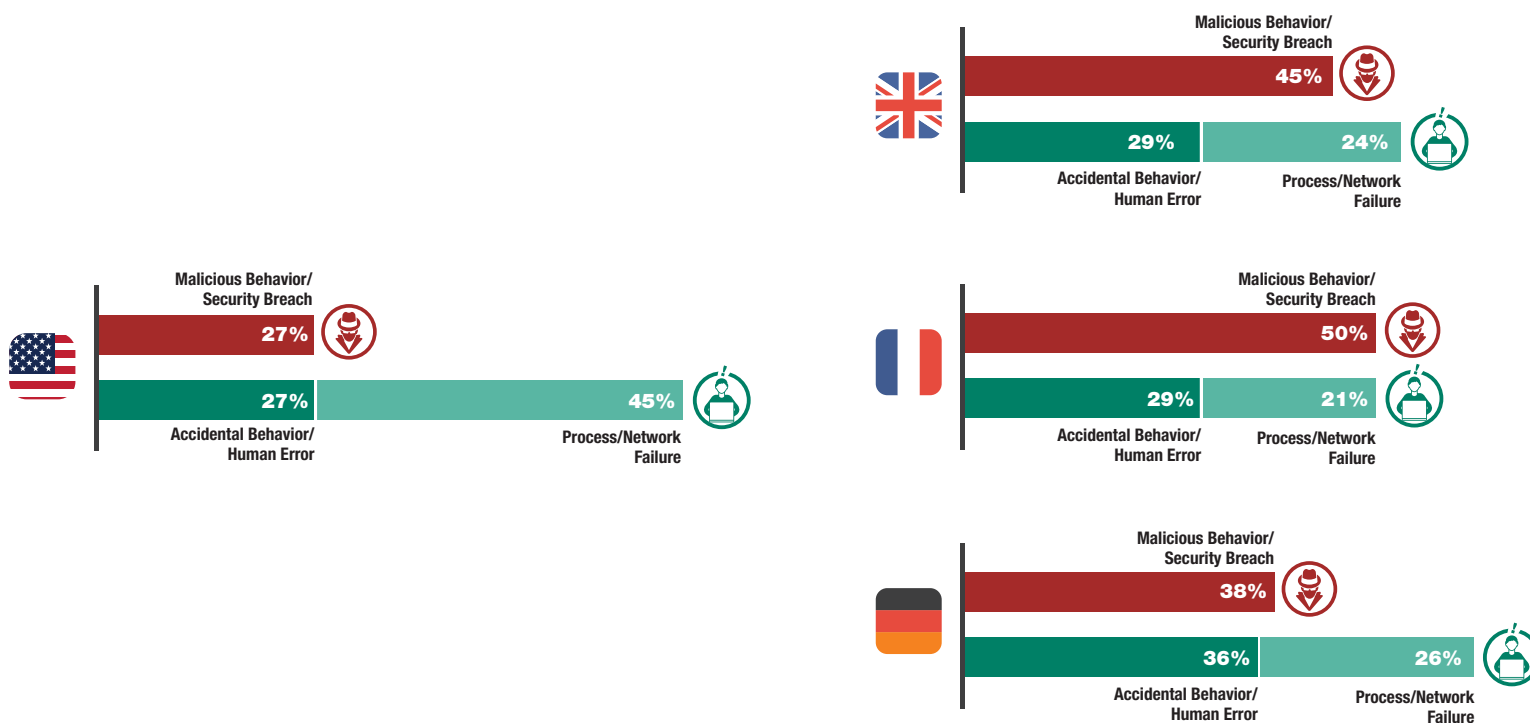# The Use and Restriction of Cloud File Share Services

The right file transfer technology can be a critical IT security control to protect data integration with business partners and other 3rd parties. Survey results show that use of insecure cloud file sharing technology is restricted by corporate policies: **43% of US companies, and 35% of European companies, in regulated industries such as healthcare, finance, and government don't allow it.**

US Results

Industry	Cloud file share services in place	Policies restricting
Banking & Finance	30%	47%
Insurance	38%	31%
Healthcare	38%	40%
Government	41%	53%
Manufacturing	50%	31%
Retail	57%	14%
Other	54%	28%

Europe Results (FR, UK, DE)

Industry	Cloud file share services in place	Policies restricting
Banking & Finance	90%	25%
Insurance	79%	32%
Healthcare	78%	20%
Government	74%	18%
Manufacturing	80%	37%
Retail	94%	22%
Other	90%	11%

Percentage who have **cloud file share services** in place

Percentage with policies in place **restricting cloud file share services**

Causes of Data Loss

The causes of data loss, which can result in regulatory penalties, loss of reputation, and other negative financial repercussions are not just external malicious agents. **Respondents shared that human or processing errors are the most regular and common cause of data loss** – combined they consistently outweigh attacks and breaches for causing data loss.

UK

Malicious Behavior/
Security Breach: **45%**

Accidental Behavior/
Human Error: **29%**

Process/Network
Failure: **24%**

US

Malicious Behavior/
Security Breach: **27%**

Accidental Behavior/
Human Error: **27%**

Process/Network
Failure: **45%**

France

Malicious Behavior/
Security Breach: **50%**

Accidental Behavior/
Human Error: **29%**

Process/Network
Failure: **21%**

Germany

Malicious Behavior/
Security Breach: **38%**

Accidental Behavior/
Human Error: **36%**

Process/Network
Failure: **26%**

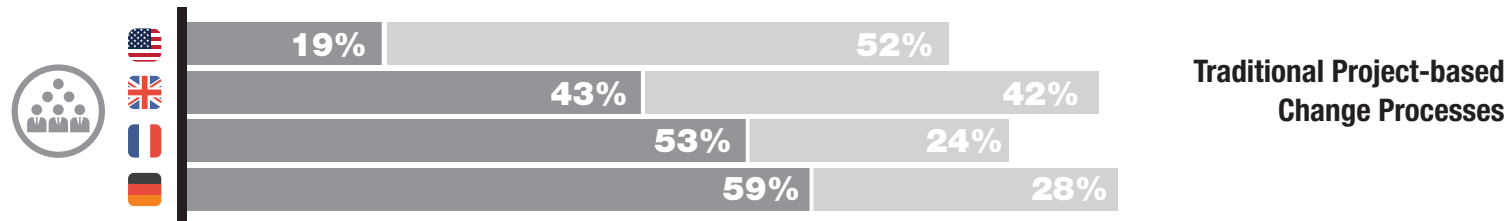# Identifying and Mitigating Risks to Data

Identifying and mitigating risks is critical to protecting data against errors and external threats. The survey revealed that **only about a quarter (28%) of respondents believe their organization is very efficient at identifying or mitigating risks.**

US 🇺🇸
31% ◎
28% 🔧

UK 🇬🇧
25% ◎
26% 🔧

France 🇫🇷
27% ◎
31% 🔧

Germany 🇩🇪
33% ◎
36% 🔧

◎ Percentage who have very efficient processes for **identifying** risks in file transfer operations

🔧 Percentage who have very efficient processes for **mitigating** risks in file transfer operations

Addressing Changing Business Needs

IT's assessment of their organization's ability to adapt to meet business needs provides a good indicator of organizational agility to identify and mitigate risks. Leading edge organizations have processes and technology in place that enables IT administrators and business users to find and fix problems – optimizing security. However, most organizations today use traditional project-based processes for IT improvements. **Less than 25% of respondents across regions say that change requests are managed as part of an established enhancement process using administrative tools or authorize users to self-administer changes.**

🇺🇸	19% · 52%	**Traditional Project-based Change Processes**
🇬🇧	43% · 42%	
🇫🇷	53% · 24%	
🇩🇪	59% · 28%	

🇺🇸	11% · 12%	**Continuous Improvement-based Change Processes**
🇬🇧	11% · 4%	
🇫🇷	21% · 2%	
🇩🇪	11% · 2%	

⬤ via system-wide enhancements   ⬤ on a case-by-case basis   ⬤ with administrative tools   ⬤ via authorized users empowered to set-up, change and self-administer file transfers

Technology Matters for Data Security

Organizational agility can be improved by using secure technology which optimizes security and reduces time to mitigate risks. Of course, technology is just one piece along with effective training for people in the organization and continuous process improvement. Managed file transfer technology helps organizations optimize file transfer operations to secure data both inside and outside the network perimeter, automate operations to reduce errors and provide visibility to quickly identify and mitigate risks. **Less than 60% of companies in regulated industries have MFT, while a 1/3 or less in unregulated industries do.**

US Results

Industry	Cloud	FTP	AIM	MFT
Banking & Finance	30%	77%	13%	57%
Insurance	38%	69%	23%	46%
Healthcare	38%	68%	18%	58%
Government	41%	82%	15%	24%
Manufacturing	50%	77%	27%	38%
Retail	57%	71%	7%	64%
Other	54%	82%	15%	30%

Europe Results (FR, UK, DE)

Industry	Cloud	FTP	AIM	MFT
Banking & Finance	90%	57%	47%	63%
Insurance	79%	79%	53%	74%
Healthcare	78%	66%	50%	48%
Government	74%	72%	36%	48%
Manufacturing	80%	90%	73%	50%
Retail	94%	83%	56%	39%
Other	90%	83%	62%	48%

Percentage who use **cloud file sharing services** (e.g. Dropbox or Sharefile)

FTP Percentage who use **File Transfer Protocol (FTP) servers** (e.g. FileZilla or WS_FTP Server)

AIM Percentage who use **Application Integration Middleware** (e.g. IBM Websphere or Redhat JBoss)

MFT Percentage who use **Managed File Transfer solutions** (e.g. Ipswitch MOVEit MFT or IBM Connect:Direct)

Key Findings – US

- **84%** of respondents say that being able to securely transfer and share files internally and externally is very important, however **46%** say they are using insecure cloud-file sharing services.

- **Over 90%** of respondents in regulated industries like finance and healthcare rate secure transfer as very important, while **43%** have policies that restrict use of insecure cloud-file sharing services.

- **22%** do not have a file transfer policy in place (13% plan to integrate one).

- **37%** of organizations that have policies regarding the use of certain file transfer technology or services say that enforcement is inconsistent.

- **26%** say they may have experienced a data breach this year and suffered data loss but are not sure.

- Of those that experienced a data breach **72%** said human or processing errors were the cause.

- **20%** say their processes to identify and mitigate file transfer risk are not efficient.

- Less than half of respondents **(39%)** have a MFT solution in place.

Key Findings – Europe

- **94%** of respondents rate the importance of being able to securely transfer and share files efficiently, within and outside of their organization as either very **(71%)** or somewhat **(23%)** important.

- **84%** of respondents have cloud file sharing services in place and **74%** have File Transfer Protocol (FTP) Servers in place.

- **95%** of respondents either have policies in place that prohibit the use of certain file transfer technology or services for sensitive data **(59%)**, or are planning to put policies in place **(36%)**.

- **24%** of respondents restrict the use of insecure cloud-file sharing services (38% in the UK). And **27%** restrict the use of open source FTP Servers.

- **31%** of respondents believe that their organization's processes in mitigating risks in file transfer operations are very efficient.

- **47%** of respondents' organizations have or may have experienced a significant loss of data, resulting from a breakdown in the file transfer process. **55%** of respondents that did experience a significant loss of data said it was due to human or processing error.

- Only **28%** of respondents believe that their organization's processes in identifying risks in file transfer operations are very efficient.

What It Means – Managed File Transfer

Achieving both data protection & secure data integration requires a modern approach to file transfer.

MOVEit Managed File Transfer is an automated file transfer system that lets you manage, view, secure, and control all file transfer activity through a single system. You will always know where your files are with predictable, secure delivery and extensive reporting and monitoring. MOVEit reduces the need for IT hands-on involvement and allows for user self-service as needed. It provides the perfect solution for secure file transfer to meet security and compliance needs in any industry and company size while reducing administration time and costs.

Get Your Free Trial: http://www.ipswitchft.com/app/evaluate/moveit.aspx

About Ipswitch

Ipswitch helps solve complex IT problems with simple solutions. The company's software is trusted by millions of people worldwide to transfer files between systems, business partners and customers; and to monitor networks, applications and servers. Ipswitch was founded in 1991 and is based in Lexington, Massachusetts with offices throughout the U.S., Europe and Asia. For more information, visit www.ipswitch.com.

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