

# Cloud Adoption & Risk Report

Q1 2014

Published in Q2

Based on data from

8,300,000+ users

Representing the following industries:



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The Cloud Adoption and Risk Report is based on anonymized data from more than 8.3 million users across more than 250 companies spanning ten industry verticals. The top ten and top twenty services lists are based on users of the service. The risk of each service is based on Skyhigh CloudTrust™ Program, which assigns a risk rating based on a detailed, objective, and weighted assessment of more than 50 attributes across data risk, user/device risk, service risk, business risk, and legal risk.

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# Executive Summary

## Use of Cloud Services is Accelerating

Data from more than 250 organizations shows that 3,571 cloud services are in use across more than 8.3 million users, as opposed to 2,675 last quarter (33% growth). 759 cloud services are in use by an organization on average, as opposed to 626 last quarter (21% growth).

## Percentage of Enterprise-Ready Services is Decreasing

Of the 3,571 cloud services used, only 7% of services used were Skyhigh Enterprise-Ready, meaning that they fully satisfied the most stringent requirements for data protection, identity verification, service security, business practices, and legal protection. This is significantly down from 11% last quarter. This suggests that a majority of new cloud services used by employees are exposing organizations to risk.

## An Astonishing 1/3 of Cloud Services Were Vulnerable to Heartbleed

Out of the 3,571 services in use, 33% (1,173) were vulnerable to the Heartbleed bug – leaving user data, passwords, and private keys open to theft. Due to the steps cloud service providers have taken to immediately address the vulnerability, that number has declined to less than 1%.

## EU-Based Cloud Services: From the Frying Pan to the Fire

Given the concerns around the US Patriot Act and US government-issued blind subpoenas, there is a growing school of thought advocating the use of cloud services headquartered in privacy-friendly countries (i.e. EU). However, 9% of cloud services headquartered in the EU are high risk, compared to only 5% of cloud services headquartered in the US. So, while EU-based cloud services provide protection from the US Patriot Act, they do expose organizations to greater security risks.

## Fragmented Cloud Service Use is Impeding Collaboration, Driving Greater Risks and Higher Costs

On average, an organization is using 24 different file sharing services and 91 different collaboration services. This not only impedes collaboration and leads to employee frustration, but also results in greater risk since 60% of the file sharing services used are high risk services. IT organizations have a unique opportunity to drive consolidation while continuing to offer choice to their employees.

## 18% of Use is from Windows XP

Microsoft ended support for its Windows XP Operating System on April 8. For the most part, enterprises have upgraded from XP to the latest operating systems, but a significant 18% of companies had at least 1,000 devices running XP that were accessing public cloud services. The XP end-of-life event means that these devices may be unpatched and vulnerable, exposing the organizations to risk.

## Malware: A Pervasive Threat

The malware problem is alive and well, as 29% of organizations had anomalous cloud access indicative of malware. In addition, 16% of organizations had anomalous cloud access to services that store business critical data, introducing an even higher level of risk.

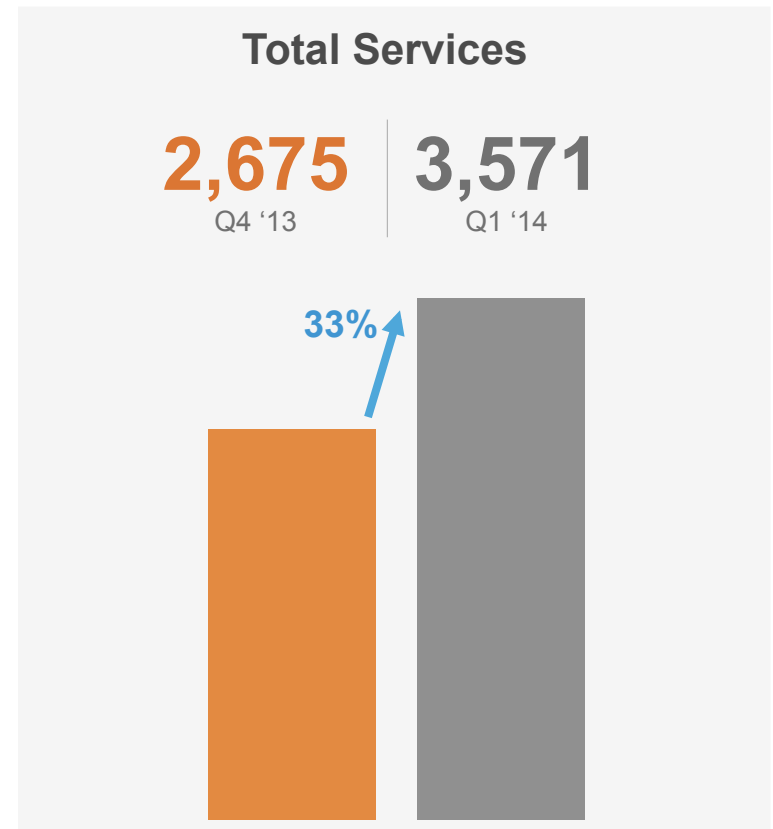
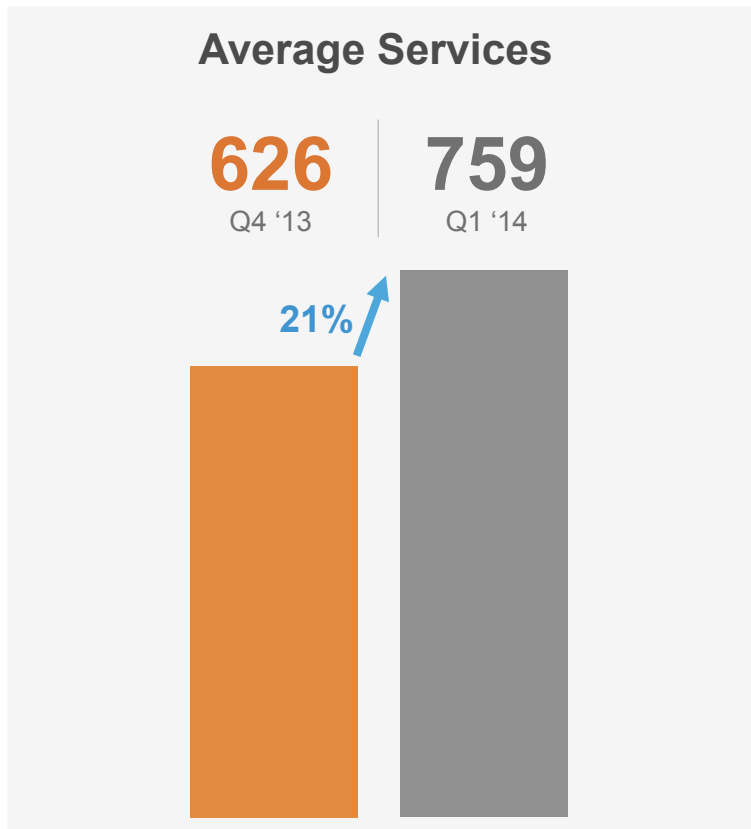
# Users and Services per Company



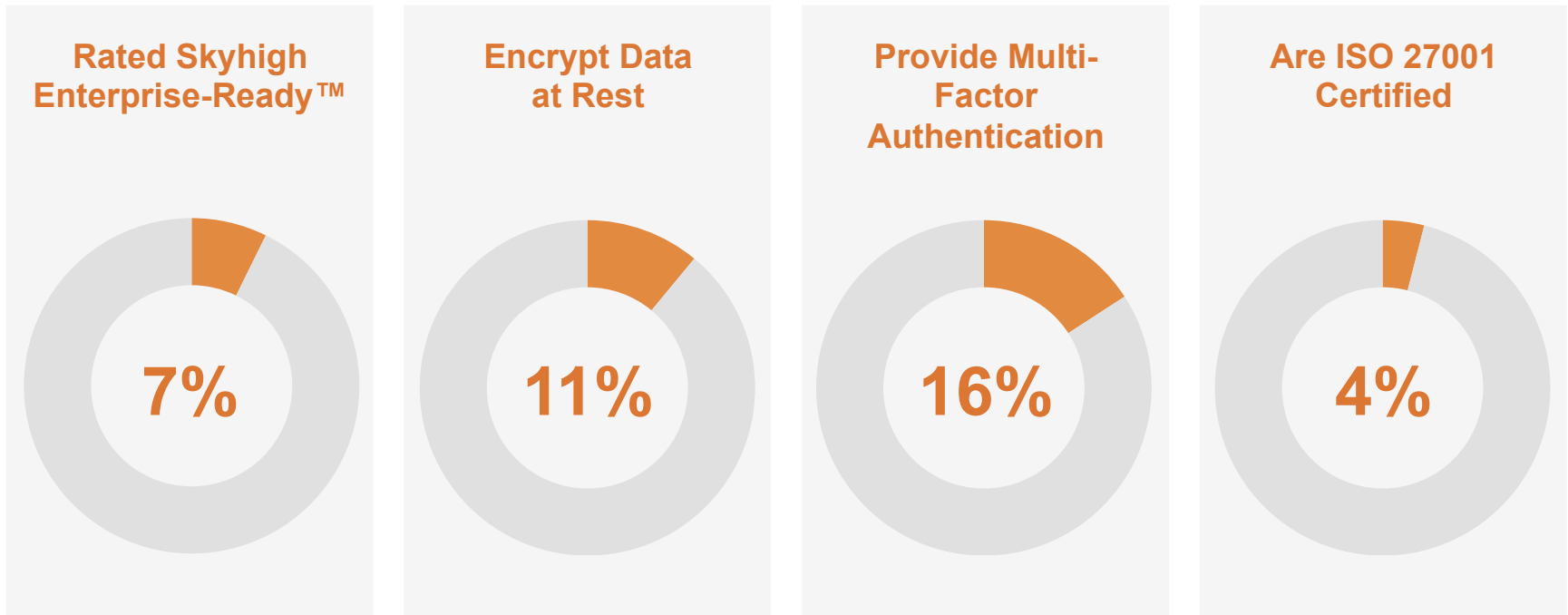
## Cloud Services



# Total Number of Services as well as Average Number of Services per Company Increasing

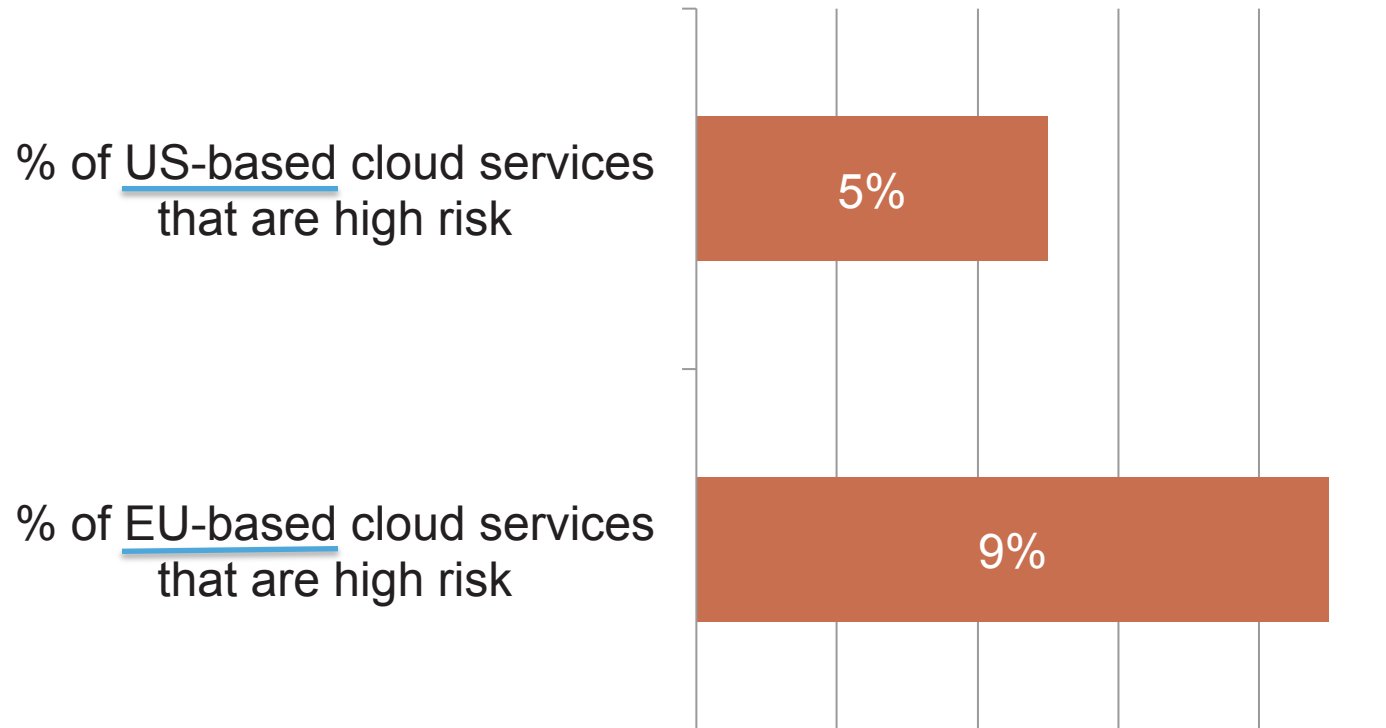


# Majority of the 3,571 Services Used Lack Basic Security Features, Putting Enterprises at Risk

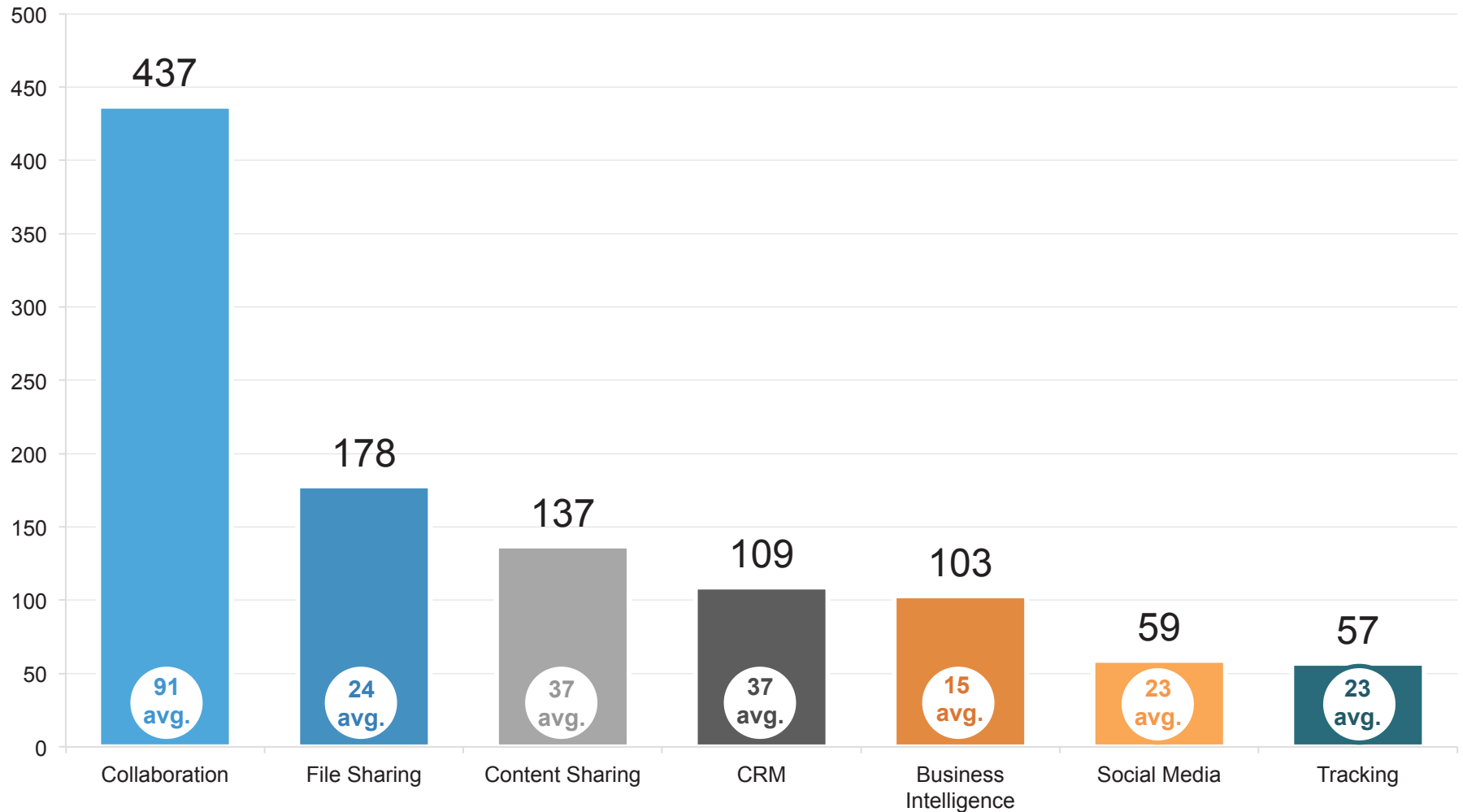


The Skyhigh CloudTrust™ Program assigns a risk rating based on a detailed, objective, and weighted assessment of more than 50 attributes. Skyhigh Enterprise-Ready™ services fully satisfy the most stringent requirements for data protection, identity verification, service security, safe business practices, and legal protection.

# From the Frying Pan to the Fire?

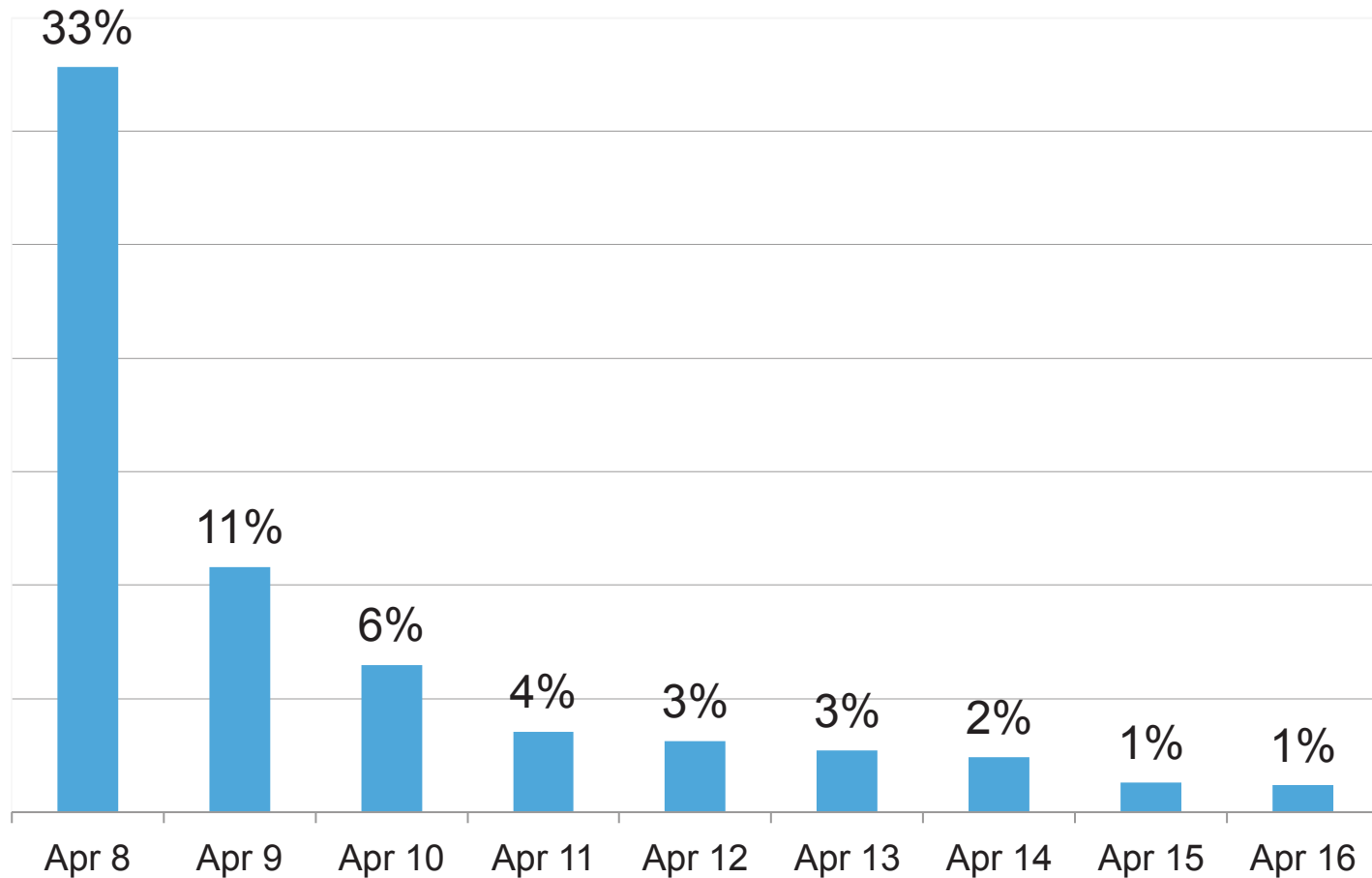


# With an Average of 91 Collaboration and 24 File Sharing Services, Companies Incur Risk and Impede Productivity

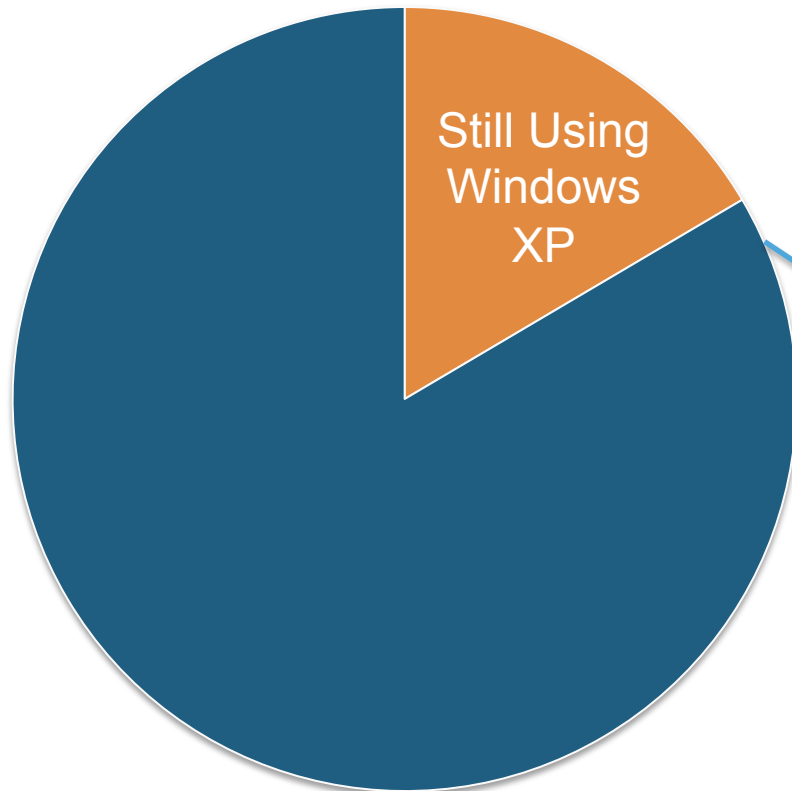




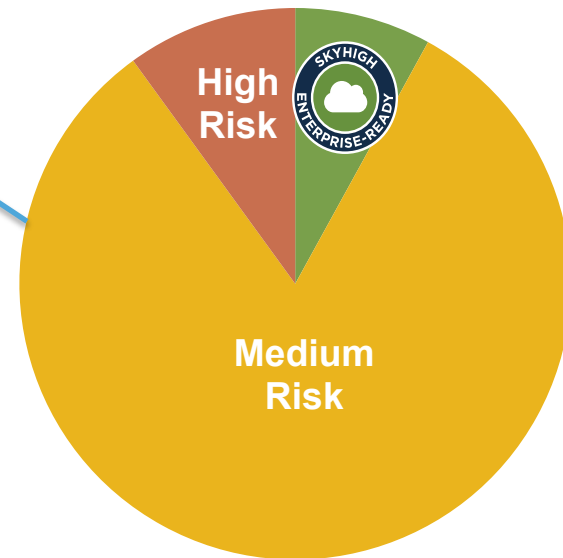
# One-Third of Cloud Services Were Vulnerable to the Heartbleed Bug



# 18% of Companies Had at Least 1,000 Windows XP Devices Accessing Public Cloud Services

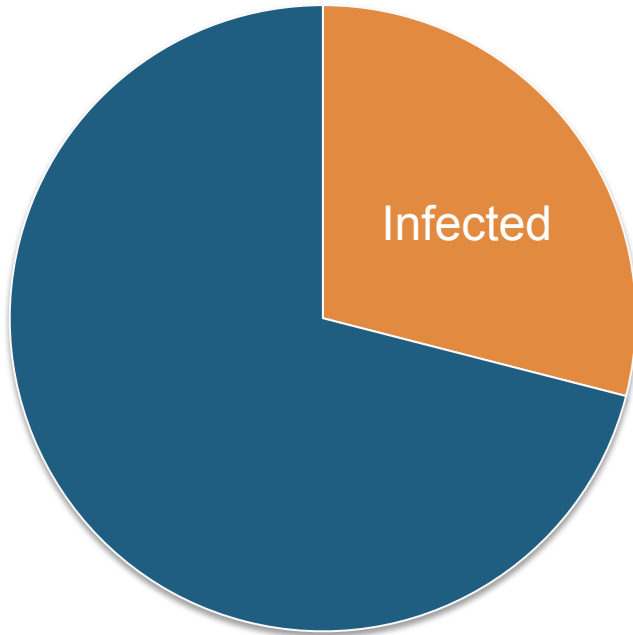


Of those services accessed using XP, 90% were high or medium risk

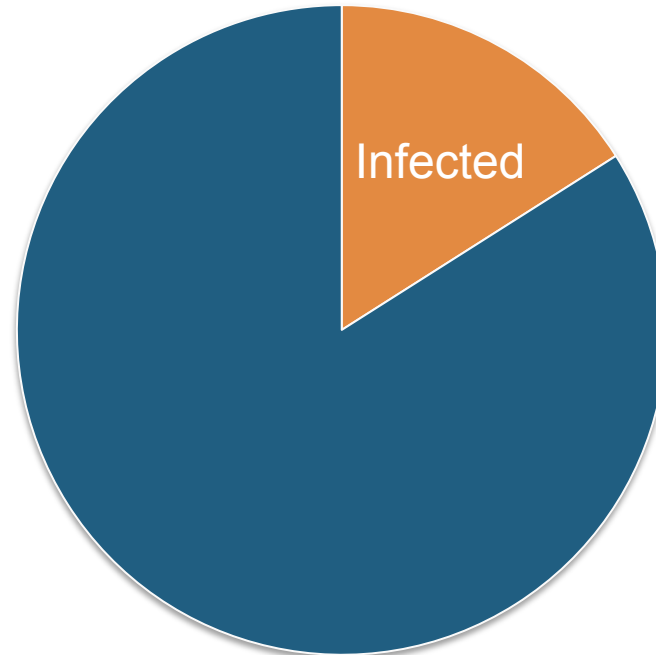


# Malware: A Pervasive Threat

29% of companies had anomalous cloud access indicative of malware



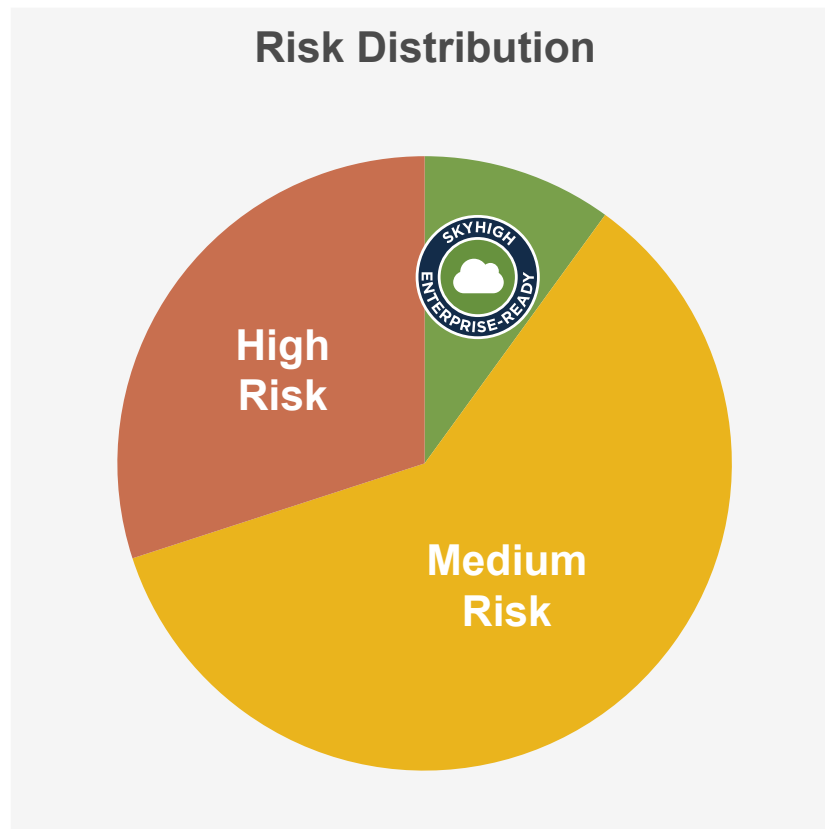
16% of companies had anomalous cloud access to services that store business-critical data



# Again, Only 1 of the Top 10 File Sharing Services is Enterprise-Ready

## Top 10 File Sharing Services

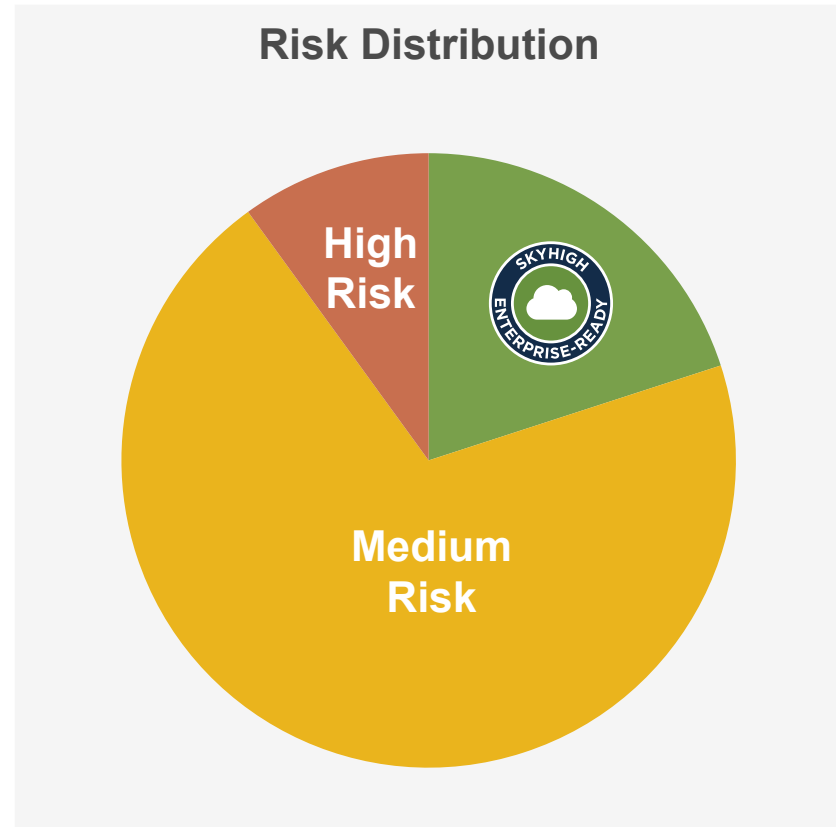
- 1 Dropbox →
- 2 Google Drive →
- 3 OneDrive →
- 4 Box →
- 5 Yandex.Disk →
- 6 4shared ↑
- 7 eFolder ↑
- 8 FileFactory →
- 9 Solidfiles ↓
- 10 GoodSync ↑



# Google and Microsoft Go Head-to-Head for Dominance in the Collaboration Category

## Top 10 Collaboration Services

- 1 Gmail ↑
- 2 Office 365 ↓
- 3 Google Docs →
- 4 Cisco WebEx →
- 5 Yahoo! Mail →
- 6 Prezi ↑
- 7 Yammer ↓
- 8 AOL ↑
- 9 Google Drive ↓
- 10 Skype ↓

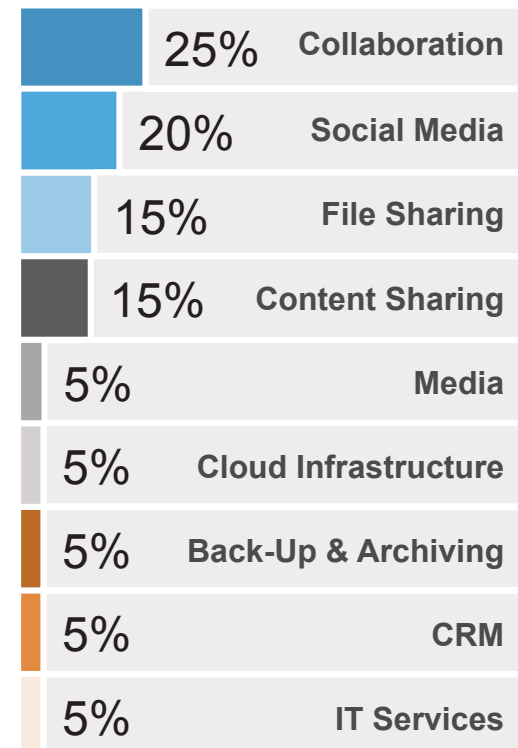


# Collaboration, Social Media, and File Sharing are the Top 3 Service Categories

## Top 20 Services\*

1	Facebook →	11	Cisco WebEx ↓
2	Amazon Web Services ↑	12	Apple iCloud →
3	Twitter →	13	Pinterest →
4	YouTube ↓	14	Yahoo! Mail ↑
5	Salesforce →	15	Pandora ↓
6	LinkedIn ↑	16	Weibo ↑
7	Gmail →	17	OneDrive ↓
8	Office 365 ↓	18	ServiceNow ↓
9	Google Docs** ↓	19	Box ↑
10	Dropbox ↑	20	Instagram ↑

## % by Service Category



\* Top Services based on number of users  
 \*\* Aggregate of Google Docs and Google Drive

# About Skyhigh Networks

## Skyhigh Networks

Skyhigh Networks, the Cloud Visibility and Enablement Company, enables companies to embrace cloud services with appropriate levels of security, compliance, and governance. The company mission is to help CIOs securely enable cloud services that drive productivity and innovation within their businesses, while lowering risk and cost. Customers including BMC Software, Cisco, Creative Artists Agency (CAA), Diebold, DirecTV and Equinix use Skyhigh to manage their "Cloud Adoption Lifecycle" with unparalleled visibility, usage analytics, and policy enforcement. Headquartered in Cupertino, Calif., Skyhigh Networks is backed by Greylock Partners and Sequoia Capital. For more information, visit us at [www.skyhighnetworks.com](http://www.skyhighnetworks.com) or follow us on Twitter [@skyhighnetworks](https://twitter.com/skyhighnetworks).

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Skyhigh Networks' *CloudTrust*™ ratings (e.g., *Enterprise-Ready*™ and others) are developed and continuously updated by Skyhigh's Service Intelligence Team, a group of dedicated data scientists who use both automated processes and intensive manual research to evaluate the security capabilities third-party services.

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