The background features a light blue sky with white, stylized clouds. In the upper right corner, there is a large white circle representing a sun or moon, divided into four quadrants by a horizontal and a vertical line. The top-left quadrant is light blue, the top-right is white, the bottom-left is white, and the bottom-right is light blue.

BITGLASS
CLOUD ADOPTION REPORT
EPISODE II
ATTACK OF THE CLOUDS

It is a period of much hype. Cloud continues to dominate the headlines. Enterprise data centers are being shuttered at a rapid pace, and physical servers have been permanently replaced by legions of "instances" in the cloud. Or are they...

Are enterprises really moving to the cloud? The hype is certainly not subsiding, with cloud continuing to dominate the IT headlines. In Bitglass' inaugural, 2014 cloud adoption report, we sampled cloud adoption from over 80,000 businesses and found that while cloud was beginning to take hold, security woes continued to hamper adoption. What change has the past year brought?

Read on to find out whether the cloud wars are real, or an ongoing science fiction fantasy...



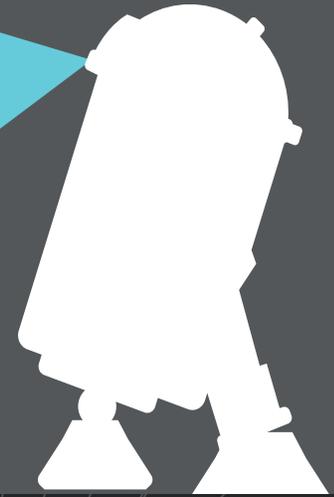
TOP FINDINGS

- **48%** of enterprises are now using a cloud-based productivity & email suite, up from **28%** in 2014
- 2014's underdog, Microsoft has surged ahead of Google, more than tripling its adoption from **7.7%** in 2014 to **25.2%** in 2015, besting Google's **22.8%**
- Globally, large enterprises in **EMEA (59%)** and **APAC (61%)** have adopted the major cloud suites more aggressively than their **North American (48%)** counterparts
- **EMEA** enterprises are by far the biggest adopters of cloud security solutions like Single Sign-on
- Companies with more than 500 employees overwhelmingly choose **Microsoft (34.3%)** over **Google (21.9%)**

DROIDS MAKE THE BEST STORYTELLERS

Traditional survey responses can include inherent lag times and personal biases, so the Bitglass Cloud Adoption Report uses real-world traffic data, pulled via automated, cloud-based analysis droids. For 2015, we expanded the sample size from 80,000 to nearly 120,000 organizations—the largest data set available on this topic.

The target? Major enterprise cloud apps like Microsoft Office 365, Google Apps, Salesforce, and Box. Easier than bulls-eyeing womp rats back home...



RESULTS...

Companies are moving to the cloud, and they are moving fast. In 2014, 25% of companies were using a cloud application as their productivity suite. In 2015, we saw that number nearly double to 48%. That stat bears repeating—in one year, adoption of cloud-based solutions for company-wide applications like email and file sharing doubled. At the same time, key indicators of security consciousness, such as adoption of single sign-on, have increased substantially.

For 2015, we also look at global adoption for the first time, discovering that EMEA leads the way over its NAM and APAC counterparts—both in terms of overall cloud adoption, and adoption of critical security solutions like single sign-on (SSO).

CONCLUSIONS...

Looks like we've made the jump to hyperspace. We're moving to the cloud at lightspeed, and increased adoption of key security technologies, like Cloud Access Security Brokers, is ensuring we don't bounce too close to a supernova.

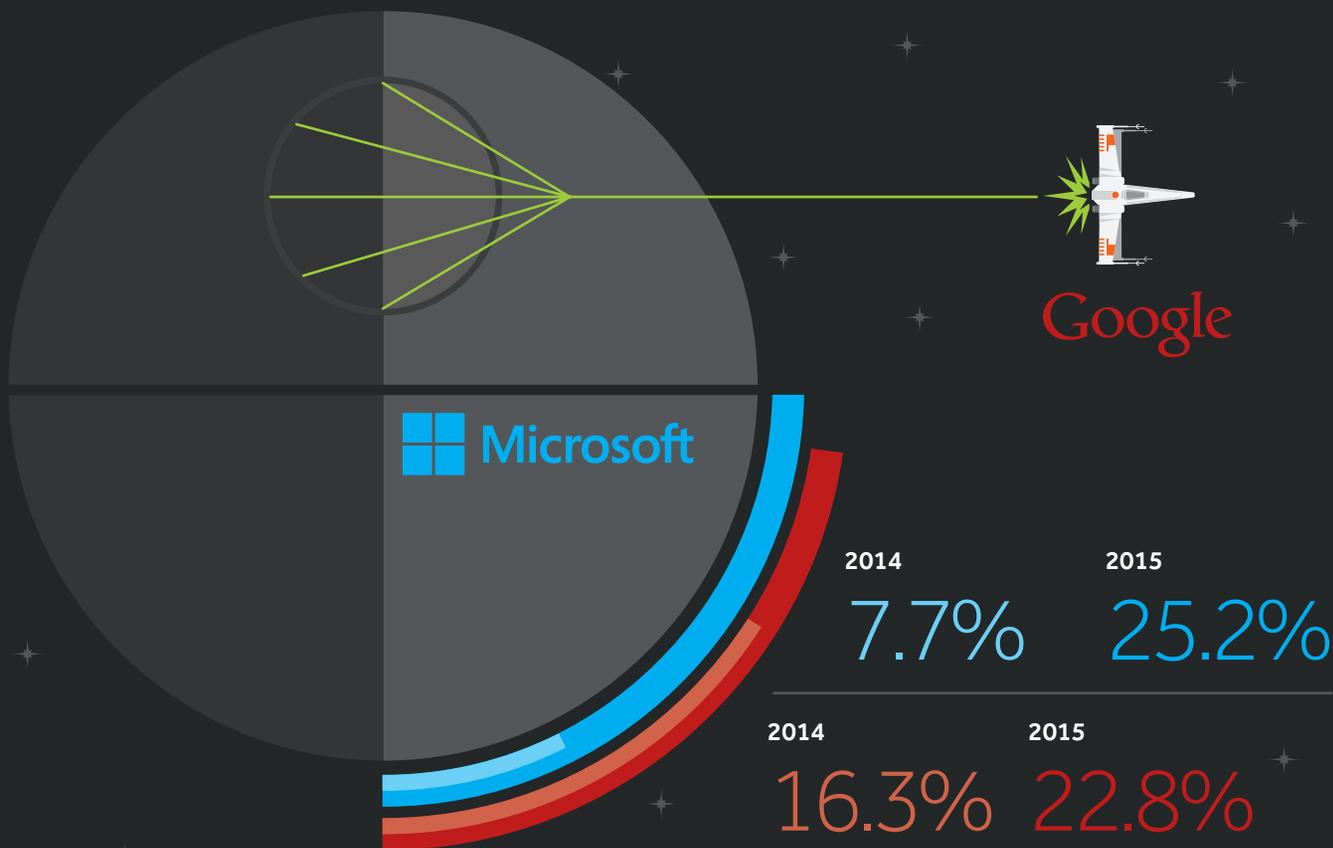
COMPANIES USING A CLOUD APPLICATION AS THEIR PRODUCTIVITY SUITE



MICROSOFT STRIKES BACK

In 2014, Microsoft lagged Google by a substantial margin—7.7% of companies were using Office 365 and a whopping 16.3% had adopted Google Apps.

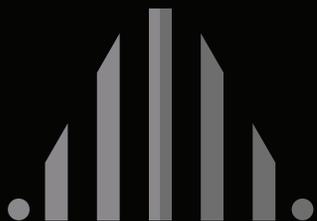
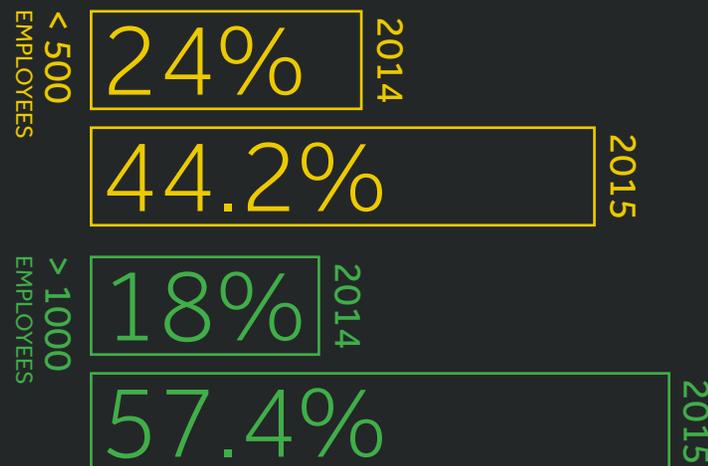
In 2015? The Death Star is now operational. Microsoft strikes back, more than tripling enterprise penetration at 25.2%, outpacing Google's 22.8%, and showing no signs of slowing.



CLOUD, I AM YOUR ADOPTER

Last year, we found that 24% of companies with less than 500 employees and 18% of companies with more than 1,000 employees were using cloud-based e-mail. In 2015, 44.2% of companies with less than 500 employees and 57.4% of companies with more than 1,000 employees were using cloud-based e-mail.

COMPANIES USING CLOUD BASED EMAIL





SIZE MATTERS, IT DOES

Google Apps continues to eek out a small lead for small companies—at **22.8%** vs Microsoft's **21.4%**—but Microsoft has a lock on companies with 500+ employees.

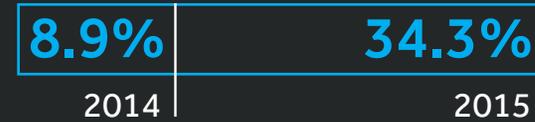
500+ employees

Google



133%
change

Microsoft



285%
change

REGULATIONS FAVOR MICROSOFT...

Large companies (>1000 employees) in regulated industries have shown a swift transition to the cloud since 2014. Although Google Apps takes a steady second to O365, three times as many large, regulated companies are using Google Apps (**15%** from **5%**) and six times as many are using Microsoft O365 (**30%** from **5%**).

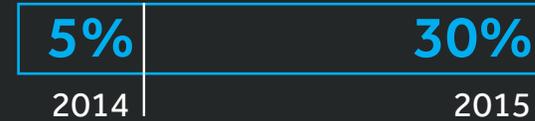
1000+ regulated

Google



200%
change

Microsoft

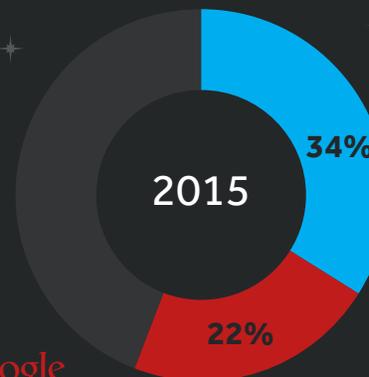
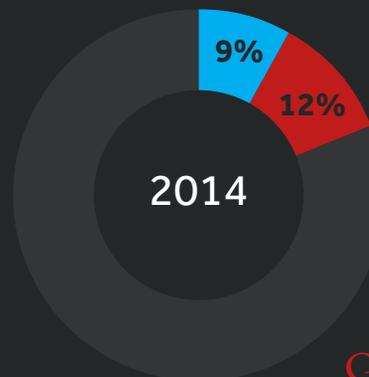


500%
change

...SO DOES PUBLIC OWNERSHIP

Privately-held companies are opting to use Google Apps (**24%**) more than Microsoft (**21%**). In 2014, we had clocked Google Apps at **17%** and Microsoft at **8%**.

It was the findings of publicly-traded companies that surprised us the most:



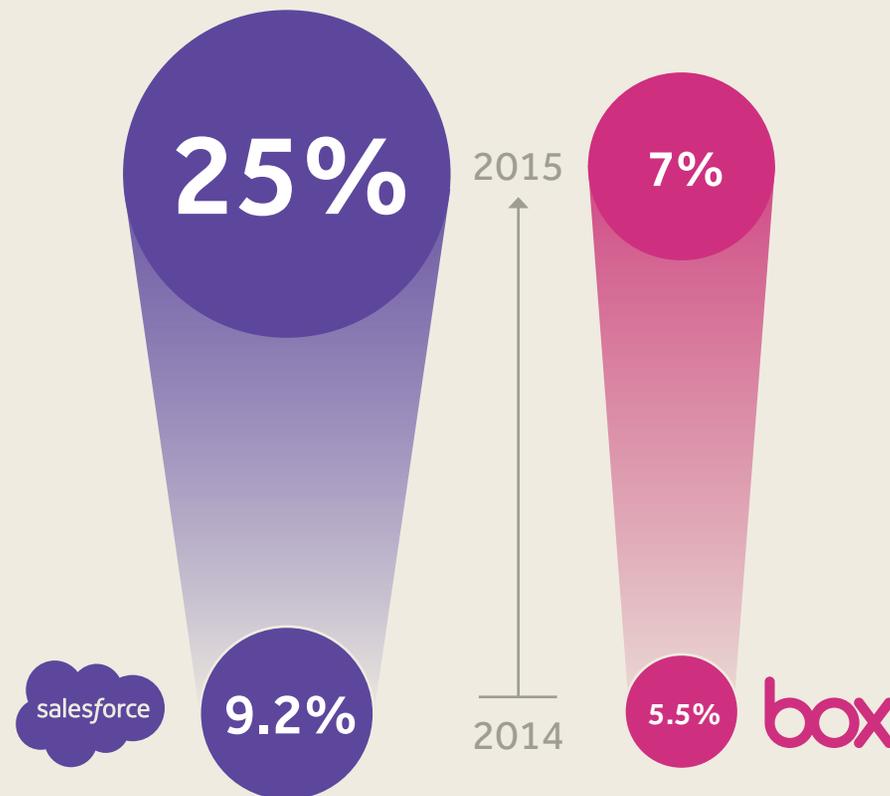
Google
Microsoft

Likely drivers? A combination of increased focus on security and compliance by cloud app vendors, and the emergence of third party security services, like Cloud Access Security Brokers, that help fill critical security gaps.

SSO: IMPLEMENTATION IS STRONG IN THIS ONE

The results we found from our 2014 Cloud Adoption Report regarding single-sign on adoption was frightening. Though IT professionals cited security concerns being on top of their list of worries when considering transitioning to the cloud, only a tiny amount were implementing single sign-on—the most basic cloud security step.

Fortunately, the picture has improved. In 2015, 25% of Salesforce customers are using SSO, a huge increase over the 9.2% that had implemented SSO in 2014. With other apps, like Box as an example, the picture isn't quite as rosy—Box SSO adoption has shown only modest increases from 5.5% to 7%. Why the huge difference in growth rates? For some, budget trumps security—Box requires an additional license and manual provisioning by Box engineers to get SSO running. Salesforce SSO is available to all customers and can be enabled faster than a Jedi can turn on a lightsaber.



PERCENT OF CUSTOMERS USING SSO

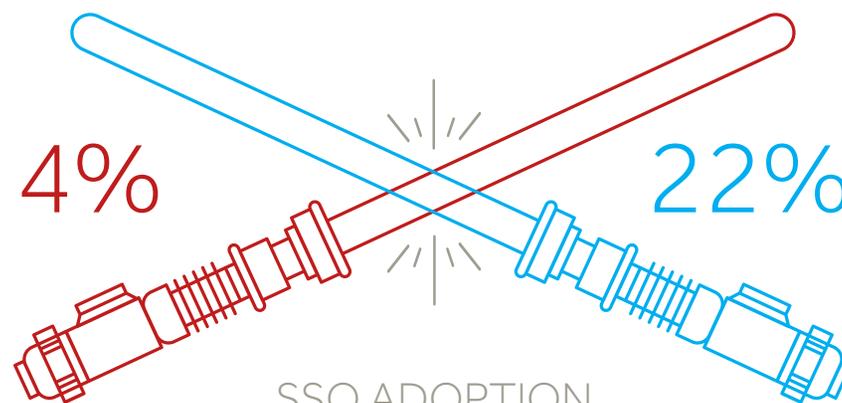
What about other apps—like Google Apps vs Office 365?

SSO Adoption:

Google Apps: 4%

Office 365: 22%

Deployed more commonly by smaller companies, security is less likely to be a top concern for customers of Google Apps, whereas the behemoths rolling out Office 365 wouldn't consider going without it.



SSO ADOPTION
GOOGLE APPS VS OFFICE 365

OTHER STAR SYSTEMS IN THE GALAXY

Most of the data in this report focuses on North American companies. For 2015, we expand to take a more global view of cloud adoption. Is it similar globally, or do we see major differences? To find out, we mapped an additional 6000 companies from EMEA and APAC.

Judging by Google vs Microsoft adoption rates, EMEA and APAC are even farther ahead in cloud adoption than their North American counterparts, with EMEA favoring Microsoft heavily over Google.

Within EMEA, the Nordic countries really stand out as progressive, early adopters of cloud applications, with 70% using a cloud-based productivity app. The Nordics heavily favor Microsoft Office 365—with 51% using the platform, versus only 19% using Google.

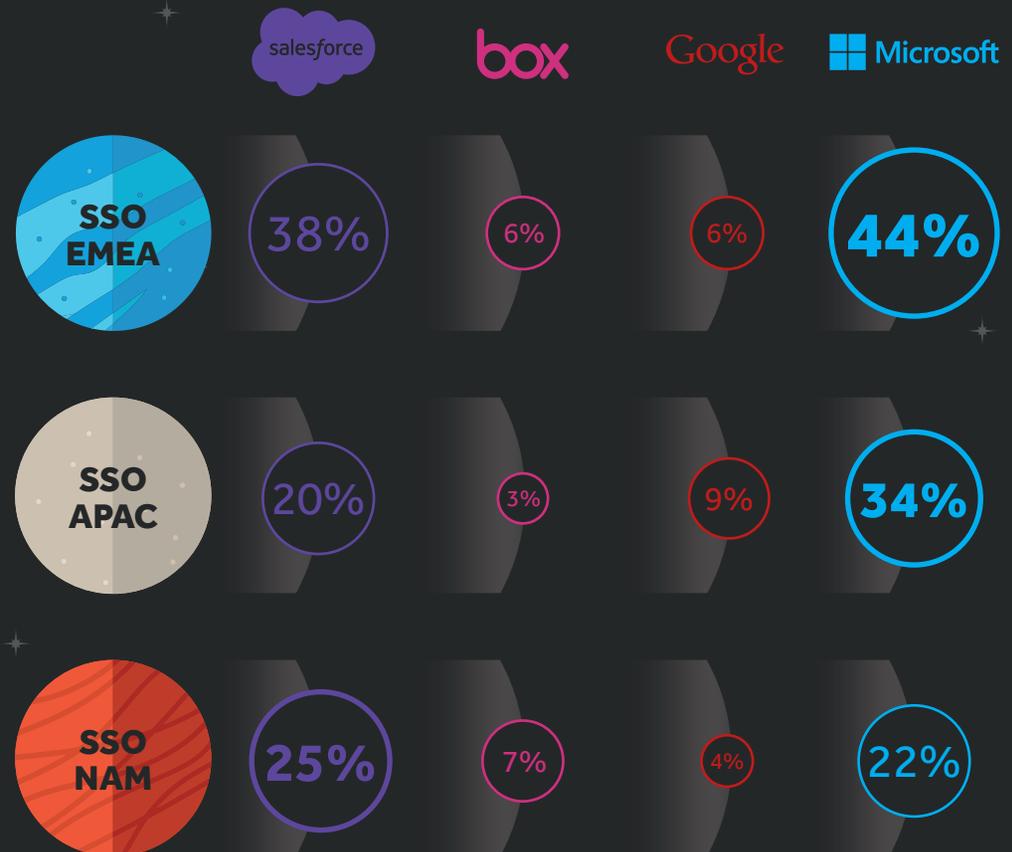
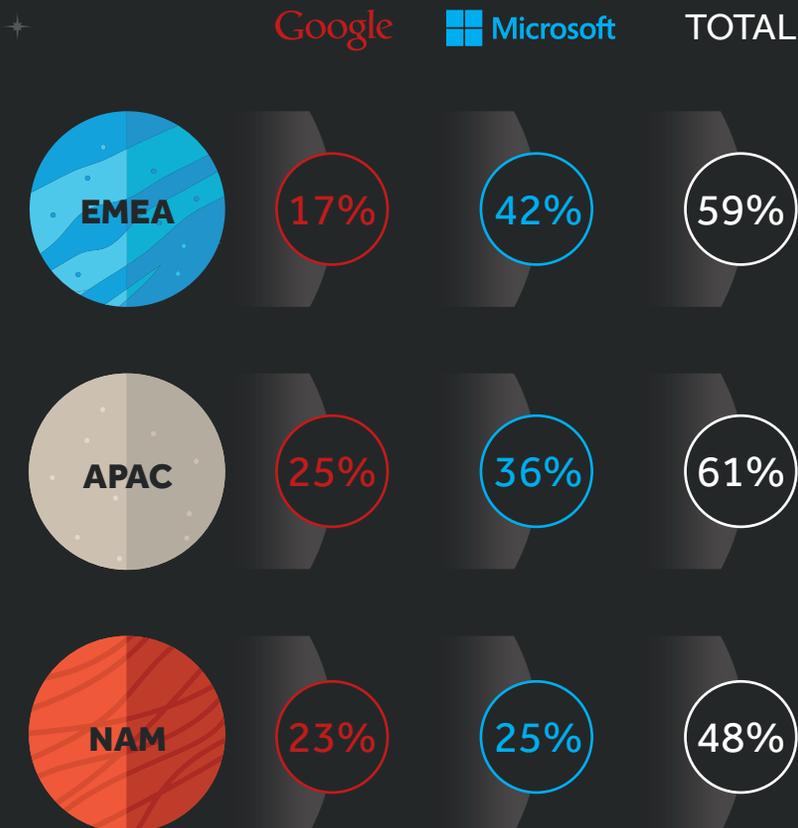


While it may be the most sparsely populated country in EMEA, Finland is also enjoys the most dense cloud adoption—with a whopping 78% of enterprises using Google or Microsoft.

What about Single Sign-on, as an indicator of security awareness? Once again, EMEA comes out ahead, with very strong adoption of SSO across the board.

GOOGLE VS MICROSOFT CLOUD ADOPTION RATES

SSO ADOPTION RATES



CONCLUSION

Cloud adoption is no longer a task taken on solely by rebel forces—it has now hit the mainstream, which means that if you're not there yet, you probably will be soon. Embrace this new way of doing business, but not without locking up security and compliance concerns first. Cloud Access Security Brokers take us back to the basic principles that IT organizations have relied on for decades to protect their information, but architected for cloud and mobile.

We recommend you explore the ability of these technologies to keep your sensitive corporate data safe.



YOU CAN'T OUTSOURCE ALL OF SECURITY

The jump to the cloud doesn't come without security and compliance concerns that must be addressed. This requires you to rethink your information security strategy. Emerging technologies like Cloud Access Security Brokers can fill the security gaps in cloud applications.

Learn more about how to adopt cloud applications, without sacrificing security at: <http://pages.bitglass.com/definitive-guide-to-cloud-access-security-brokers.html>



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About Bitglass

In a world of applications and mobile devices, IT must secure data that resides on third-party servers and travels over third-party networks to employee-owned mobile devices. Existing security technologies are simply not suited to solving this task, since they are developed to secure the corporate network perimeter.

The Bitglass Cloud Access Security Broker solution transcends the network perimeter to deliver total data protection for the enterprise—in the cloud, on mobile devices and anywhere on the Internet.