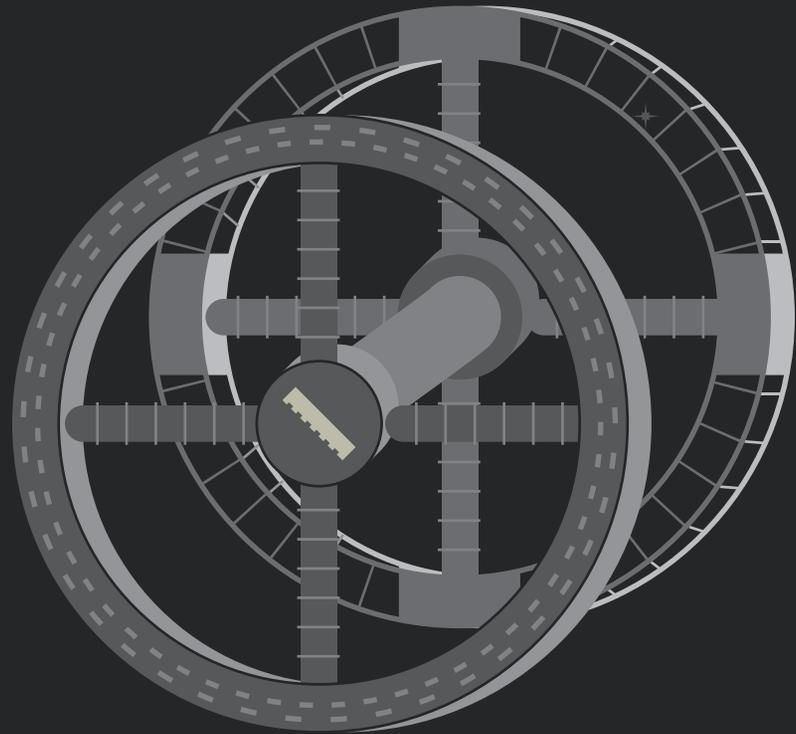


2015: A CLOUD ODYSSEY



In our last [Cloud Adoption](#) report, [Bitglass](#) compared the popularity of leading cloud suites like Google Apps and Office 365. This time we drilled down even further, sampling over 100,000 businesses across a wide range of industries, including [Finance](#), [Healthcare](#) and [Government](#), to see which have made the most progress in moving from on-premises to public cloud applications and whether these industries are following security best practices.

While cloud adoption is up significantly across the board, the data revealed some surprising trends in regards to the pace of adoption in some industries. Read on to learn more about the industries leading and lagging in cloud adoption.



REGULATED VS. UNREGULATED



CLOUD ADOPTION
IN REGULATED
INDUSTRIES HAS SEEN
A SUBSTANTIAL JUMP,
UP FROM 15% IN 2014
TO 39% THIS YEAR.

Security has been a major barrier to cloud adoption in many verticals, but it's especially critical in heavily regulated industries and plays a major role in such organizations' decisions to move their data into a public cloud app. Fortunately, data-centric security technologies like cloud access security brokers are enabling firms in these heavily regulated industries like healthcare and finance to remain compliant while using public cloud apps, accelerating the shift away from on-premises apps.

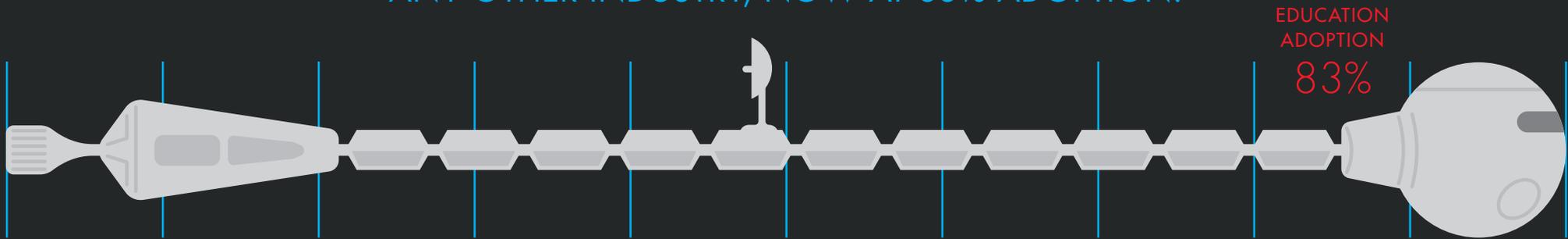
While cloud adoption has doubled year-over-year in unregulated industries, it has nearly tripled in regulated industries—a massive change from 2014. The blinding pace at which these organizations are adopting cloud apps suggests that many of the unique needs of regulated industries are being solved by cloud security platforms like Bitglass.



ADOPTION OF PUBLIC
CLOUD APPLICATIONS
IN UNREGULATED
INDUSTRIES IS UP
FROM 26% LAST YEAR
TO 50% THIS YEAR.

EDUCATION

EDUCATION IS MOVING TO THE CLOUD FASTER THAN ANY OTHER INDUSTRY, NOW AT 83% ADOPTION.



EDUCATION HASN'T SHOWN A STRONG PREFERENCE FOR ONE CLOUD APP OVER ANOTHER, WITH 42% ON GOOGLE APPS AND 41% ON OFFICE 365.

Such strong cloud adoption should be no surprise, as both [Google](#) and [Microsoft](#) offer their cloud suites free of charge for education customers. Demand for always available, BYOD-friendly solutions among students, faculty, and administration is on the rise, and the ability to secure research intellectual property is critical in higher ed, particularly when such data needs to be shared externally. The need for easy and fast collaboration with data and documents makes the cloud a natural solution for the education vertical. Our data indicates higher education institutions, while forward thinking in their rapid adoption of cloud apps, don't always follow security best practices. Only 6.8% of the institutions with Google Apps and 13% of institutions with Office 365 use single sign-on, the most basic cloud security function.

HEALTHCARE



Healthcare has grown to **37%** cloud adoption, but remains a laggard due to HIPAA compliance concerns.

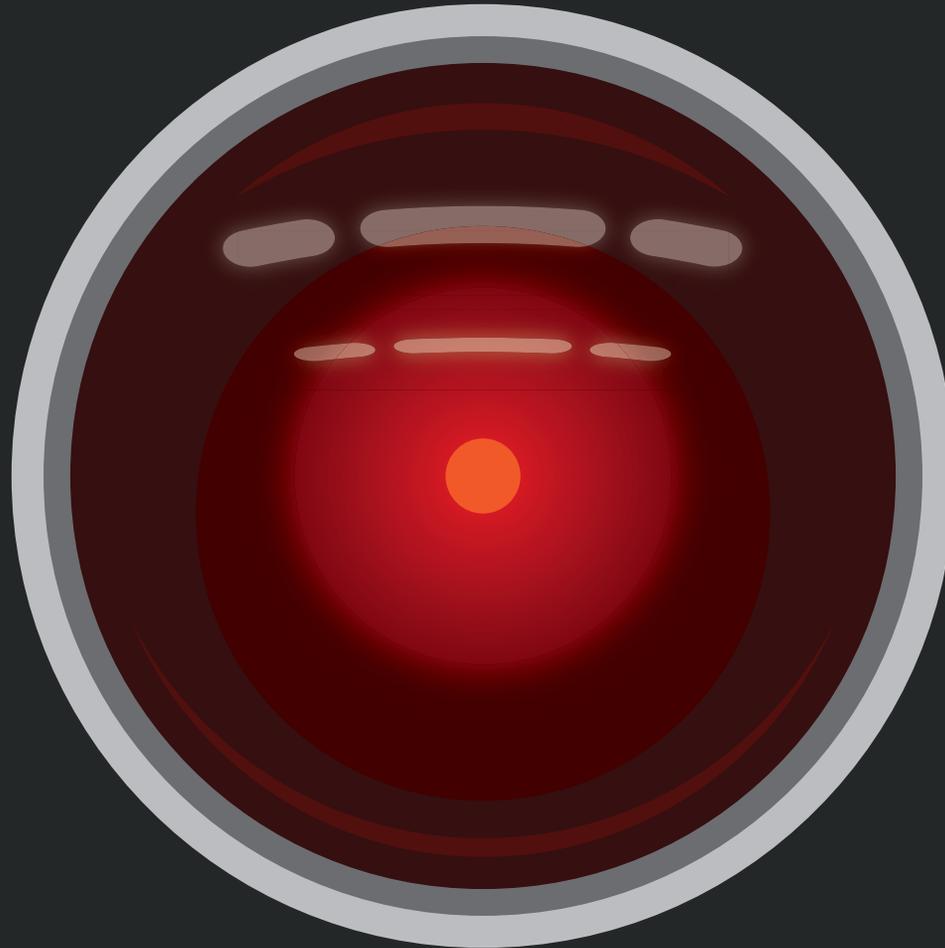
Even healthcare, an industry that has historically been slow to adopt cloud apps due to the need for HIPAA compliance, has seen an increase to 37% cloud adoption, up massively from only 8% last year. However, few healthcare organizations follow security best practices like SSO, just 0.39% of Google subscribers and 4.8% of Office subscribers.

Under HIPAA, providers need to secure all protected health information, even as data moves beyond the firewall. This poses a problem as demand for BYOD continues to rise. MDM hasn't been widely adopted due to both privacy concerns and also limited applicability where doctors have multiple hospital affiliations. Fortunately, cloud access security broker technologies enable dynamic detection and redaction of protected health information, file encryption, DRM, and contextual access control over corporate data, so that health organizations moving to the cloud can achieve HIPAA compliance and allow access across devices.

GOVERNMENT

47%

OF US GOVERNMENT ORGANIZATIONS, INCLUDING STATE AND LOCAL GOVERNMENTS AND CONTRACTORS HAVE ADOPTED CLOUD APPS.



53%

OF GOVERNMENT ORGANIZATIONS WITH OVER 1000 EMPLOYEES HAVE ADOPTED CLOUD APPS.

Government adoption of cloud apps is surprisingly high, particularly in larger organizations. Our data revealed that 27% of government organizations now use Office 365 and 19% use Google Apps.

OTHER LEADERS & LAGGARDS

MEDIA & ENTERTAINMENT

55.5%

OF **MEDIA AND ENTERTAINMENT** ORGANIZATIONS HAVE DEPLOYED SOME PUBLIC CLOUD APPLICATION.



TECHNOLOGY

51%

ADOPTION OF CLOUD APPS WITHIN THE **TECH INDUSTRY** IS RELATIVELY HIGH, AS EXPECTED.

COMMUNICATIONS

61%

OF THE **COMMUNICATIONS INDUSTRY** USES SOME CLOUD APPLICATION.

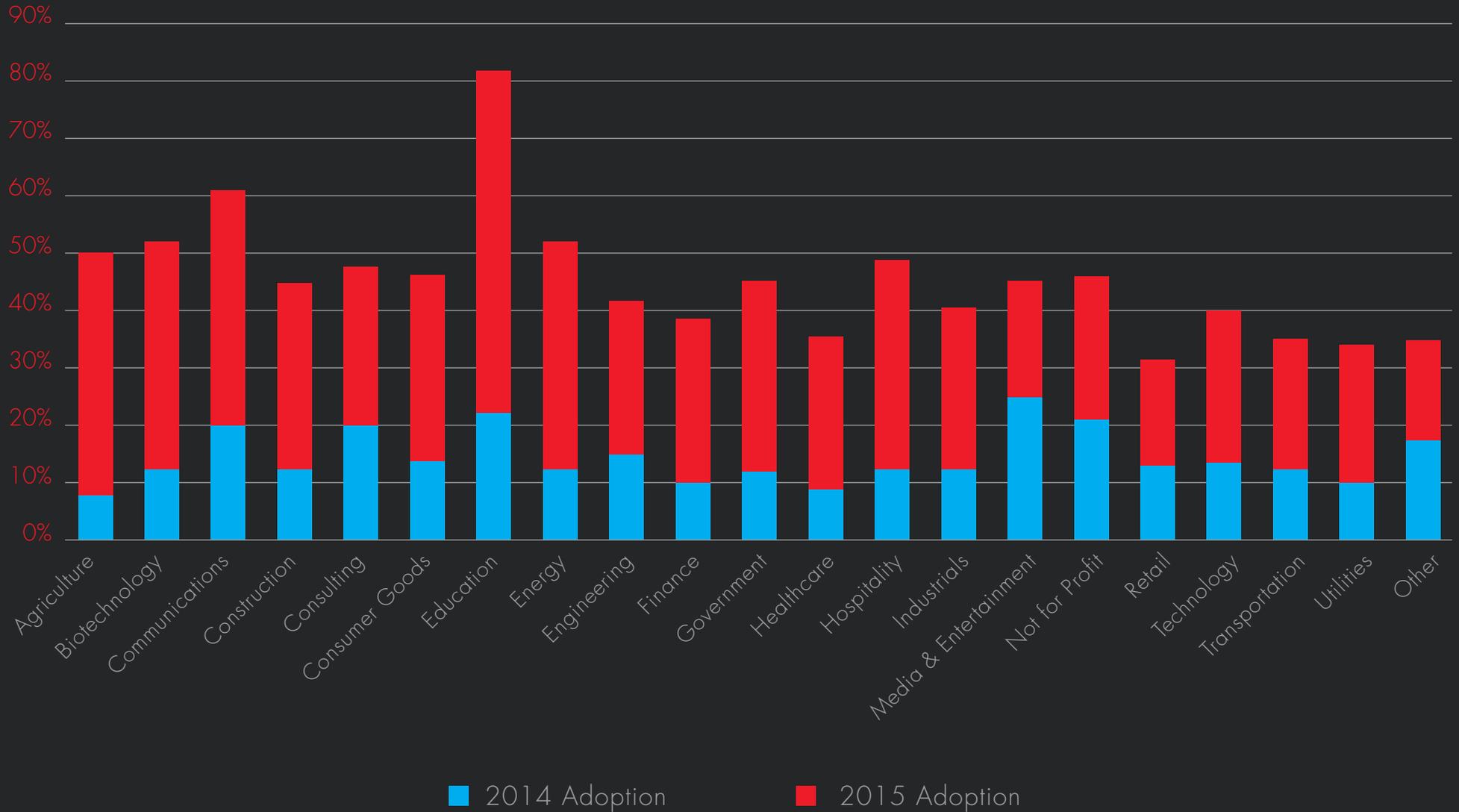
While up from 17% in 2014, relatively low uptake of cloud applications in finance is in part due to high security needs. As with healthcare, more organizations in the finance sector are transitioning to cloud apps as technologies like CASBs meet the demand for comprehensive security in the cloud.

FINANCIAL

37.5%

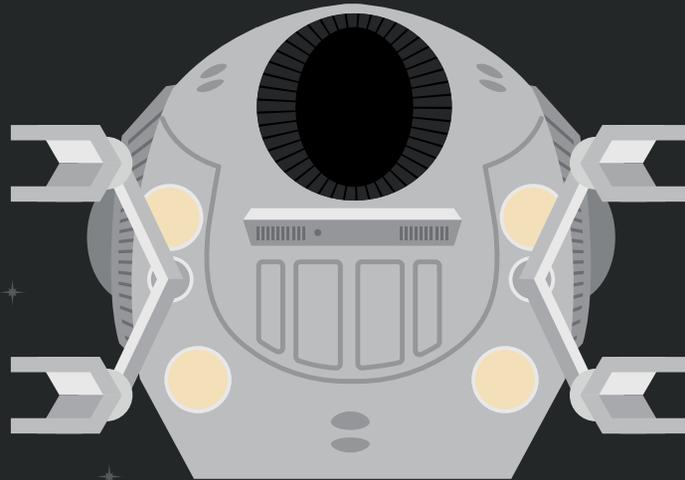
OF THE **FINANCE INDUSTRY** HAS MOVED TO THE CLOUD, UP SUBSTANTIALLY FROM 2014.

CLOUD ADOPTION BY INDUSTRY



CLOUD ADOPTION STATISTICS BY INDUSTRY 2014-2015

| Industry | 2015 Adoption | 2014 Adoption | % Gmail | % O365 | SSO for GApps or O365 | 2015 Sample Size |
|-------------------------|---------------|---------------|---------|--------|-----------------------|------------------|
| Agriculture | 50% | 7% | 19% | 31% | 10.6% | 812 |
| Biotechnology | 53% | 11% | 18% | 35% | 9.7% | 1048 |
| Communications | 61% | 20% | 40% | 21% | 1.8% | 1048 |
| Construction | 44% | 12% | 17% | 27% | 6.6% | 3979 |
| Consulting | 48% | 19% | 27% | 21% | 2.6% | 9792 |
| Consumer Goods | 46% | 14% | 21.5% | 24.5% | 6.6% | 1870 |
| Education | 83% | 23% | 42% | 41% | 19.8% | 5699 |
| Energy | 52% | 12% | 14% | 38% | 13.3% | 1218 |
| Engineering | 42% | 14% | 17% | 25% | 3.7% | 1147 |
| Finance | 37.5% | 9.5% | 14.5% | 23% | 6.1% | 12451 |
| Government | 46% | 11% | 19% | 27% | 10.5% | 2427 |
| Healthcare | 36% | 8% | 15% | 21% | 5.2% | 8148 |
| Hospitality | 49% | 11% | 20% | 29% | 7% | 1217 |
| Industrials | 40.6% | 12.3% | 16.3% | 24.3% | 5.3% | 10144 |
| Media and Entertainment | 55.5% | 25.5% | 31.5% | 24% | 7.2% | 2613 |
| Not for Profit | 56% | 21% | 26% | 30% | 5.5% | 3247 |
| Retail | 42% | 13% | 21% | 21% | 4.7% | 9661 |
| Technology | 51% | 14.3% | 26.3% | 24.7% | 6.4% | 13188 |
| Transportation | 45% | 12% | 18% | 27% | 8% | 2247 |
| Utilities | 43% | 10% | 17% | 26% | 5.3% | 819 |
| Other | 44% | 17% | 22% | 22% | 1.7% | 19928 |



At least 30% of sampled businesses in each industry have adopted some cloud app—with total cloud adoption across all industries up from 28% in 2014 to 48% this year. Cloud applications are easy to deploy, cost effective, and more flexible with their ability to meet a diverse set of customer needs at scale. That said, a large proportion of organizations in all industries, many of which need to secure data for compliance purposes, don't have a single sign-on solution in place and often don't have tools for control and visibility over corporate data.

Public cloud vendors are focused primarily on securing their infrastructures and provide few tools that meet the needs of regulated industries. Cloud security platforms like Bitglass provide comprehensive security solutions that work across cloud apps to identify breaches, provide visibility into use of corporate data, and enable granular access control. The data-centric approach to cloud security is helping pave the way for more widespread public cloud adoption across all industries.



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About Bitglass

Bitglass' Total Cloud Security Platform is the only secure access service edge offering that combines a Gartner-MQ-Leading cloud access security broker, the world's only on-device secure web gateway, and zero trust network access to secure any interaction. Its Polyscale Architecture boasts an industry-leading uptime of 99.99% and delivers unrivaled performance and real-time scalability to any location in the world. Based in Silicon Valley with offices worldwide, the company is backed by Tier 1 investors and was founded in 2013 by a team of industry veterans with a proven track record of innovation and execution.