2016 SharePoint and Office 365 State of the Market Survey White Paper

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About the Research

The 2016 SharePoint and Office 365 State of the Market Survey was conducted from March 2016 to June 2016. 413 unique surveys were completed, by organizations that currently have one or more versions of SharePoint in use or are using Office 365 in a hybrid or cloud environment.

The survey was undertaken to determine the current SharePoint infrastructure, application priorities, the use of metadata, and the use of search. An additional objective was to determine the current or projected use of Office 365 and SharePoint Online.

The questions were of multiple choice type or select all that apply type, therefore the percentages do not add up to 100. In some cases, the authors had to analyze the responses to dig more deeply into the reasons for those responses. These analyses are purely the opinion of the authors.

The survey itself was made available via the Concept Searching website, and participants were reached via social postings and news items. The survey was not sent to the Concept Searching client base or prospects as it was felt those responses could skew the results. This was done to further ensure unbiased results from a random group of participants who chose to answer the survey. Best efforts have been made to maintain neutrality in the analysis of the results of the survey, and that it is void of Concept Searching marketing, sales, and product information.

Thank You to Participants

Concept Searching would like to sincerely thank all respondents to the survey. Their insight is invaluable and helps us, as a vendor, to understand the key challenges organizations are facing. We appreciate their time and input. As a customer-focused organization, the results have enabled us to gain an understanding of the importance of metadata and how SharePoint organizations intend to leverage it now, and in the future, to achieve business advantages.

Thank You to Market Experts and Analysts

Market experts and analysts have been referenced in this white paper to provide additional insight. All references are noted. We certainly hope we have not crossed boundaries, and sincerely appreciate their perspective and knowledge in contributing to this white paper.

Caveat

This white paper is based on a survey of SharePoint and/or Office 365 organizations. The authors are responsible for drawing conclusions from the responses. Opinions expressed are solely attributed to the authors.

Feedback is welcome. Please direct any comments to Carla Mulley, Vice President of Marketing, at carlam@conceptsearching.com.
Metadata Workflows

If you are using metadata to drive workflows to improve business practices, please specify in which areas. Select all that apply.

Status of Applications and Priorities

Mobile and Remote Connectivity
Security
Data Loss Prevention
Collaboration
Search

Application Focus

Are you satisfied with search results and the ability to find information?
What is your enterprise search engine?
Are you planning on changing your enterprise search engine to a competing Microsoft search application within the following time frames?
Is it important that hybrid search is the single point of search across SharePoint Online, on-premises, and file shares in your organization?
If you will be deploying hybrid search, in what time frame?
Are you using, or planning to use any of the following products to replace file shares?
If you are not using OneDrive for Business, why not? Please select all that apply.

Security

Do you feel your organization’s perimeter security is strong enough to withstand an external data breach, malware, or intruder?
Most data breaches are caused internally by an organization’s own staff, either deliberately or accidently. Do you feel your organization is protecting internal, confidential content, and is protecting content mandated by external organizations?
Are you using Exchange Online?

Yammer

Conclusion

Appendix A: Reasons for Not Using SharePoint Online/Office 365. Select all that apply.

Appendix B: Applications Focus

About Concept Searching
Introduction

The 2016 SharePoint and Office 365 State of the Market Survey was conducted from March 2016 to June 2016. 413 unique surveys were completed by organizations that currently have one or more versions of SharePoint in use or are using Office 365 in a hybrid or cloud environment. As with previous surveys, this endeavor was undertaken to determine the pulse of the marketplace with regard to infrastructure, migration, application priorities, and, to a lesser extent, leveraging metadata, and the use of classification and taxonomies.

Although the survey was designed to determine the current and planned use of SharePoint and Office 365, on a deeper level, it was intended to identify the key organizational drivers in leveraging these products to deliver business benefits.

The questions covered a wide variety of probable challenges, and the responses solicited provided a framework to rank the challenges that organizations are seeking to meet, by creating effective solutions.

As found in the past, the survey shed light on the activities and priorities of SharePoint and Office 365 organizations. This year’s survey showed some inconsistencies in the responses, which resulted in some difficulties in drawing conclusions from respondents’ answers. Overcoming this was sometimes a challenge, and readers may well come to different conclusions.

Key Findings

The old technology world is changing. Organizations have no choice but to adopt the cloud and meet the new challenges they now face. Security, connectivity, infrastructure, and the use of Office 365 are now priority focus areas for the executives who must continue to realize profit, reduce risk, grow business, and address competition. Some say that the only way to achieve these things is through the digital workplace and cloud adoption. The small steps being taken indicate that organizations don’t know how to swim but are willing to jump into the new waters.

Familiarity breeds contempt, except in the SharePoint world. The participants of this survey appear to be quite content where they are. They are using or moving to Exchange Online and OneDrive for Business, but some still fear the security issues when placing knowledge assets and confidential information in the cloud. The dichotomy of the priorities chosen illustrates that many organizations are in a state of uncertainty, such as their reaction to hybrid search as a nice-to-have feature but not something they will be using to address their priority of improving search.

Despite media hype, text analytics and social business applications are at the bottom of the priority list, and collaboration is this year’s must have. Content lifecycle management illustrates an awakening to the value and management of unstructured content, but the majority of organizations still perform manual tagging. Half are adopting the Term Store, despite the limitations. On the other hand, the willingness to look at third-party tools, to automate content management and other business applications, is growing.

Organizations are not very adventurous, and appear content to leave critical business applications, such as records management, enterprise metadata management, eDiscovery, and security, to be managed in the on-premises environment. However, they are willing to start evaluating competitive products and moving away from the Microsoft fold, in a few instances.

One of the most important factors in driving Office 365 adoption is to define a clear, concise, and comprehensive vision and outline your desired business scenarios. A well-defined business vision and list of targeted business objectives will serve as your guiding light throughout your launch and rollout planning, and also help secure buy-in across your organization.

Microsoft, Define a Vision and Identify Business Scenarios
Overall, the survey represented a mixed bag of responses, and at times it was difficult to determine the path organizations were taking to meet their challenges. For the first time, responses indicated both individuality and similarity across the board on moving forward to address current issues.

The Digital Workplace

The digital workplace is currently the darling of analysts. Some recommend radical changes to the workplace and the technologies used, and are paying close attention to staff suggestions and requests. Many commentaries have blown up the digital workplace to encompass everything from the chair you sit on to bringing your pets to work and being supplied with ping pong tables. It is a serious business, and executives need to take note and action. By 2020, one-third of US adults will be millennials, according to researchers at the University of Southern California. PwC predicts that they will also account for more than 50% of the workforce by that time. A melding of baby boomers and millennials is necessary, to work towards organizational objectives together, which may be a tough challenge for both age groups.

Success in digital workplace adoption has been achieved primarily from very large organizations that have the culture, money, and time to invest in creating an entirely new working environment and replacing old technology and applications to cater for the millennials. For most organizations, this is not a reality and it is out of their reach financially to create the Google office of the future. The bottom line is that organizations already have a digital workplace, unless they are using paper and pencils, and must leverage what they have first, before radically changing their way of conducting business.

There are many processes that are no longer relevant to organizations’ business environments, but are still in use because they were the best ways get things done at time. Change is painful. Solving the information glut and improving the quality of content can reap many benefits, and should be transparent to staff. What is one of the most significant and overlooked problem in most organizations? The overwhelming and steady influx of content. The most obvious indication of unmanaged or mismanaged content is poor and inefficient search, which is a priority identified in the survey.

Unfortunately, this years’ survey did not cover the digital workplace. However, the characteristics of digital workplace applications, such as collaboration and more effective search, are taking a high priority in most organizations. Based on survey responses, most SharePoint and Office 365 organizations are not ready to address the digital workplace until the technical and application infrastructures are in place in on-premises or online environments, if at all.

The Long and Winding Road

Although Microsoft’s earnings report for the third quarter of the fiscal year 2016 does not disclose profits, their CFO, Amy Hood, appears to be happy. Intelligent cloud revenue grew by 3% (up 8% in constant currency) to $6.1 billion, with Azure revenue growing 120% in constant currency, and with usage of Azure Compute and Azure SQL Database more than doubling year over year.

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1 How Millennials Could Upend Wall Street and Corporate America, Governance Studies at Brookings
2 Millennials at Work – Reshaping the workplace, PwC
Analysis from Barron’s, makes the assumption in the Business Insider that Microsoft may not be able to catch up with its largest competitor. Barron’s estimated that in the most recent quarter, Microsoft Azure generated $560 million in revenue, versus Amazon Web Services’ $2.466 billion. Despite Azure’s reported 120% growth over the same period in 2015, it’s the second quarter in a row where there was a projected approximate $2 billion gap between Microsoft Azure and Amazon Web Services. Again, despite Azure’s growth, it accounts for only an estimated 12% of Microsoft’s server products and cloud services revenue, which saw a 6% decline last quarter. With server products sinking an estimated $600 million from the last quarter, the $300 million growth in Azure couldn’t offset it. Office 365 commercial revenue was $2.1 billion in the quarter, estimates Barron’s, versus $3 billion for boxed Office commercial sales. Regardless of the inability to catch up with Amazon Web Services, revenue does not appear to be a worry to Microsoft. It spent $2.3 billion in capital on its cloud data center in the past quarter, which represents a 65% increase.

SharePoint, despite having transitioned to an application development platform since its launch in 2001, is better suited as an enterprise portal, with strengths in document driven collaboration. In fact, Microsoft is now discouraging any custom development and is pushing preconfigured and commercially available products, similar to plug and play. This will eventually disrupt some of the SharePoint community, as Microsoft strengthens the perception that eventually SharePoint will silently fade away, although the opinion of the authors is that will not happen in the immediate or even medium-term future. Microsoft is totally focused on Office 365, and SharePoint has become an afterthought. In the future, Microsoft will continue to provide new functionality in Office 365 and its extensive partner network will bring to market a plethora of applications to fill in the gaps.

SharePoint is not necessarily a simple product, depending on the level of customization required for use as an application platform. This factor places organizations in a predicament regarding moving to SharePoint 2016. SharePoint 2016 wasn’t exactly breaking news. However, the challenge for many small and medium-sized businesses is the lack of technical expertise available to take advantage of the mostly infrastructure-based improvements. Microsoft still has a legion of partners willing to provide expertise to assist organizations in maximizing their investment, by providing specialized services.

As Office 365 evolves, organizations need to recognize that SharePoint is not a platform of the future but is an excellent environment for an intranet portal now. This position will eventually be superseded by Office 365. Real Story Group sums it up well, “Thus, the gulf between on-premises and the cloud has never been wider, and — despite Redmond’s recent improvements — any hybrid strategy will require custom code and ongoing frustration to succeed. To be sure, Office 365 will start to offer ‘portal’ applications in 2016, but these are likely to be highly preconfigured products, rather than traditional SharePoint development environments.”

More recently, the pundits have focused on the lack of end user features and usability issues in SharePoint 2016. This is nothing new, just areas being brought to the forefront once again. Surveys over the past few years have consistently reported the same issues. This renewed focus has been triggered by a recent AIIM report. The Impact of SharePoint – 2016, which found that the problem lies with end users, not with Microsoft. According to the results on the success of SharePoint, AIIM research reported that only 7% “have achieved all we planned and it is a success.”

SharePoint 2013 still best fits document-centric workgroup collaboration applications – at least those that are light on social and community services. It could be a good choice for internal collaboration or knowledge-sharing applications. Real Story Group

3 Evaluating SharePoint, Real Story Group
4 The Impact of SharePoint – 2016, which found that the problem lies with end users, not with Microsoft. According to the results on the success of SharePoint, AIIM research reported that only 7% “have achieved all we planned and it is a success.”

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The real problem concerns upper management and a lack of end user training. Notwithstanding, with the reinvented digital workplace, end users are trying to run the show. It is doubtful that the outcry from unhappy users would influence the use of SharePoint, but their attitude can influence SharePoint’s business rewards and benefits.

It is questionable whether the reaction to SharePoint adoption is unique to end users. The report indicates that this is a problem in relation to only SharePoint, but the authors feel that end user adoption can be an issue with any significant change to software applications. The solution can be reached through training and support. From the AIIM survey results, it appears that SharePoint organizations have not tried this approach.

**Infrastructure**

Microsoft’s vision is cloud, cloud, and more cloud. Rightly so, to remain viable in the future and win the race, with competitors springing up with cloud-focused solutions, and larger competitors with enterprise content management and document management platforms. As for SharePoint, it still has 161 million customers. With revenues in excess of $2 billion, at times Microsoft appears willing to disrupt its own customer base, with a heavy focus on Office 365 and minimal enhancements to SharePoint. However, organizations are embracing the cloud, or being forced to adopt it, and are taking SharePoint with them, with 38% of SharePoint organizations using SharePoint Online.

SharePoint has struggled with its purpose, and as a result is a mixed bag, being used for different purposes by different organizations. The age-old question is whether SharePoint is a development platform or a collaboration, content management system. It has grown up to be both.

**SharePoint Evolution**

The evolution of SharePoint has seen continual improvements, both large and small. Today, SharePoint can be used for portal application development, as long as SharePoint expertise is available. Microsoft has added records management services, data lifecycle management, mobile device management, eDiscovery, and, most recently, hybrid search in SharePoint Online, which is significant. It is still best suited as a document-centric collaboration portal, but this strength does make it appealing when migrating to the cloud, to reach mobile and disconnected users, which is a high priority for most.

Interestingly, slightly more enterprises are now using SharePoint for enterprise content management and document management than last year. In retrospect, this isn’t surprising. Organizations can leverage SharePoint without expending the money to purchase, install, and deploy an enterprise content management or document management vendor solution. Based on Concept Searching’s survey results over the past few years, content lifecycle management has typically been a priority, but as a future application. This has changed, and organizations have indeed raised the priority of content lifecycle management. However, according to the survey, the majority of organizations do not have the infrastructure or current abilities to effectively deploy content lifecycle management.

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5. **Keynote – SharePoint by the Numbers**, Richard Harbough, CTO 2toLead
6. Ibid.
7. The Problem with Microsoft SharePoint? People, David Roe, CMSWire
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SharePoint 2016

SharePoint 2016, for developers, has generated interest but not necessarily excitement. Looking back to the announcement of SharePoint 2010, 2016 is barely a ripple on the water. For the average SharePoint organization, there is no compelling reason to migrate to SharePoint 2016, and this is illustrated by the results of the survey, which indicate that only 24% will be migrating to SharePoint 2016. Small and medium-sized businesses will most likely not have the expertise, time, or money to implement the new features. On the other hand, for large SharePoint and Office 365 environments, the new features may be critical in nature.

SharePoint 2016 uses the SharePoint Online source code, which in turn is based on the SharePoint 2013 source code, indicating that SharePoint 2016 is stable, should organizations choose to migrate. Microsoft is pushing SharePoint 2016 as the link between Office 365 and SharePoint on-premises environments. The new hybrid integration features may be enough to sway organizations to move to SharePoint 2016.

The changes and enhancements in the server topology may appeal to architects. At first glance, SharePoint 2016 will require additional servers and technical expertise to implement the more advanced features, not for run-of-the-mill SharePoint organizations. At the most basic level, it is easy to set up. The underlying issue is the degradation of performance without the new features. The second factor considered to be a problem is applying time-consuming patches and bug fixes, resulting in hours of downtime. This can be avoided by using the MinRole services, which require additional servers and SharePoint expertise. SharePoint 2016 necessitates migration to a new farm and then moving content to it. Taking advantage of these features is not for the faint-hearted.

Version of SharePoint installed?

The question asked what versions of SharePoint were installed at the organization. As found in previous years’ survey results, many organizations have more than one version of SharePoint, hence the discrepancy in percentages. The most significant change from last year is that the use of SharePoint 2007 has dwindled significantly, from 51% to 9%. At the time of this year’s survey, SharePoint 2016 had not yet been formally announced so is not included in the graphic. However, SharePoint Online and Office 365 are in use, in some form, at 50% of the organizations. This number is somewhat skewed as a majority of organizations are using Exchange Online and have not moved to the cloud to take advantage of the features of Office 365.

![Pie chart showing version of SharePoint installed](image)

Data center cages or suites require uptick in operational costs, but the savings over on-premises IT will typically exceed 20%-25%.

Hosted servers completely remove any need to invest capital on servers, data center equipment, or network hardware. Operational costs are limited to per-server hardware leasing, and internal resources to manage the servers. Savings versus on-premises IT typically exceeds 50%.

Like traditional server hosting, cloud hosting removes any need to invest capital on IT infrastructure. The cloud-computing model allows organizations to scale servers to specific resources, thus eliminating scenarios in which users are paying for computing resources that they aren’t using. Savings versus on-premises IT typically exceeds 60%.

Newtek, Cost Savings of Moving Your Infrastructure to the Cloud
Migration

Migration is often a challenge. In many organizations, managing information stops when it is unstructured or semi-structured data. This results in the movement of content that is of no value during the migration process. The most significant repercussions include increased storage from an infrastructure perspective and poor search results, as content of no value will most likely be indexed and retrieved during search.

Data hoarding during migration, or at any time, can be an issue. Many organizations find low storage prices not to be an issue regarding data glut. Frequently, the end user saves information on a just in case basis. According to the CGOC Conference, it is estimated that 69% of content can, and should, be deleted. Studies have shown that the amount of dark data, or data that the IT team is unaware of, both on-premises and in the cloud, is a serious and growing problem. In the cloud environment, it is often personal data that is being stored and shared, with no thought given to the security or confidentiality of the content.

Best practices recommend content optimization before migration, which is quite simply cleaning up the glut of content that has no value and is redundant, outdated, and trivial (ROT). It is surprising how many records that were never declared, and how much confidential or sensitive information that should have been handled separately, surfaces during this activity. As indicated by the survey results shown later in this white paper, few organizations classify data when content is created, based on the organization’s business needs. This ties back to the inability to recognize or find content that is no longer needed, or has no value, and so can be deleted.

Are you planning to migrate to a different version?

Based on responses, it appears that the challenge of migration is not in the future of 39% of organizations. This makes sense, as over the past few years most organizations have performed migration from one software version to another. The most meaningful responses indicate that 26% of organizations will be moving to SharePoint Online and Office 365. 24% have made the commitment to move to SharePoint 2016, most likely for the infrastructure improvements.

Uncontrolled data growth does matter. Client inquiries suggest that, for many organizations, around 30% of data is redundant, outdated or trivial (ROT). Inquiries also suggest that around 50% of data has an indeterminate value, while the remaining data is mission-critical.

Organizations have regulations that need to be adhered to. All too often, lack of full awareness of these regulatory requirements leads to a policy of ‘keep everything just in case.’ Ironically, this kind of behavior is often a violation of actual regulations.

Gartner

Assuming a midsize storage environment, with between 1PB and 4PB of raw capacity, and a storage total cost of ownership of $2,325 per TB raw or $3,092 per TB usable (assuming 75% of raw capacity being usable), this equates to $927,600 to $3,710,400 in wasted spending on ROT. Moreover, if the 50% of data with indeterminate value proves to be waste, these numbers skyrocket, resulting in unnecessary storage costs of $1,546,000 to $6,184,000.

Gartner, Organizations Will Need to Tackle Three Challenges to Curb Unstructured Data Glut and Neglect June 17, 2015

8 Compliance, Governance, and Oversight Conference (CGOC) Summit, Survey of CIOs and General Counsels, 2012

9 Intelligent Metadata Solutions for Content Optimization, Concept Searching

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What is the amount of content that will be migrated?

According to respondents, the largest amount of content that will be migrated is up to 10TB, by 19% of the respondents. The runner up was 17% with less than 1TB of data, and in third place was over 31TB for 7% of the organizations. This question assumed content migration, as opposed to migrating mailboxes.

What is the time frame for migration?

As in all the previous surveys, migrating to a new version is typically planned for some time in the future. For the most part, organizations are waiting at least a year, and up to two years, before taking the leap. This has been the norm. There are still many organizations that are traditional and have not assessed moving to a new version or using Office 365. For those that do migrate, it is usually to meet a specific business requirement or organizational need.

Moving to Office 365, based on survey responses, is to provide mobile and remote user connectivity. As opposed to an on-premises environment, more planning, security issues, and infrastructure connectivity issues must be addressed before the migration. Although the planned migrations are to take place from a year or more into the future, the authors assume that the planning will take place much sooner, to ensure the infrastructure is in place and tested.

Undisciplined regulatory adherence presents storage managers with an uphill battle, requiring them to educate and persuade the ranks. In addition, the hype — and hope for — big data analytics is only further increasing the problem. Many leaders, including those in IT, see ‘big data analysis’ for lakes of unstructured data as the technology equivalent of dumpster diving, wherein they mine trash data for gold. With this mindset, all data begins to look as if it could be useful — it’s not.

Gartner

More than 60% of IT professionals report less time spent on daily maintenance, configuration, upgrades, and backup as a major benefit of cloud applications, while nearly 40% report increased participation in business strategy and/or planning for the future.

451 Research, The Impact of Cloud Applications and the Role of IT

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Drivers for Cloud Adoption

Eventually, all organizations will move some or all functionality to the cloud. It is only a matter of time. The drivers for cloud adoption are typically prioritized around remote connectivity and cost reductions. It is unknown whether most organizations actually calculate the return on investment, either for business or IT, and whether desired goals were achieved after deployment.

On the way to the cloud, these drivers may change and potentially conflict as the cloud strategy is fleshed out. For example, moving to a self-serve customer service model in the cloud may have a negative impact on sales and customer support. In this example, other considerations such as search, security, marketing, legal, and access to real-time staff resources all play a role in how the application will be implemented in a cloud environment. On the plus side, new channels of engagement and increased staff productivity from this new model can spur revenues and growth. Therefore, planning for cloud applications that will alter business strategies and current processes must be carefully thought through.

Looking past mobile and connectivity requirements, business growth should be a fundamental driver in cloud adoption. 52% of organizations that have successfully made the move have been able to achieve this objective.10 According to an Accenture survey,11 the key business drivers were agility, reduced expenses, customer experience, business growth, business cost reduction, and capital expenditure change. These are listed as the highest priorities. Improving work task productivity, collaboration, and innovation were the top organizational goals. From these responses, it is clear that organizations are seeking to improve business outcomes through a variety of approaches.

Challenges will always exist. Security remained the highest concern in our survey results for the past two years, although it decreased from 59% last year to 40% this year. It is assumed that more organizations have moved at least a portion of their activities to the cloud, and security fears have been allayed. At the operational level, integration with on-premises systems, privacy, lack of knowledge and skills, compliance, and governance, seem to be influencing cloud adoption, or at least presenting issues that require solutions before cloud deployment.

The survey responses indicated that budgetary limitations mean a migration time lag of up to two years. Networking capabilities, and voice and data take a portion of the budget, and cloud capabilities may need to take second place until the infrastructure and communications are in place to provide business improvements.

Priorities and Application Focus

Microsoft is committed to migrating line of business applications to the cloud via the use of Azure. Based on survey responses, this may prove to be more challenging than Microsoft initially thought. Most organizations are long-time SharePoint users, and rewriting applications for the cloud may seem impractical and a waste of money. Many organizations continue to require that content is stored on-premises, for use by data security, compliance, regulatory, and customized processes that cannot be easily replicated in the cloud. Many do not want to reinvent the wheel.

Although 82% of survey respondents identified cloud technology as a key part of their organization’s IT strategy, 41% of those organizations do not have a formal cloud strategy or plan in place to accomplish their cloud technology goals and growing business needs.

While cloud benefits are real and do improve your business significantly, the move to the cloud is most frequently driven by one criterion – will you spend less on your IT systems and services after you move to the cloud? The answer is – it depends.

Microsoft is committed to migrating line of business applications to the cloud via the use of Azure. Based on survey responses, this may prove to be more challenging than Microsoft initially thought. Most organizations are long-time SharePoint users, and rewriting applications for the cloud may seem impractical and a waste of money. Many organizations continue to require that content is stored on-premises, for use by data security, compliance, regulatory, and customized processes that cannot be easily replicated in the cloud. Many do not want to reinvent the wheel.
The emerging trend of mobility and Bring-Your-Own-Device (BYOD) is driving the cloud collaboration market. The cloud collaboration market size is estimated to grow from USD 23.39 billion in 2016 to USD 42.57 billion by 2021, at a Compound Annual Growth Rate (CAGR) of 12.7% from 2016 to 2021. The cloud collaboration market is driven by factors such as emerging trend of mobility and BYOD and increased saving, safety, and productivity.


The eDiscovery in the Office 365 Security and Compliance center is lightweight and would not be of value to organizations that face multiple litigation challenges. In addition, using this as the organization’s eDiscovery tool may not create the most advantageous repository for litigation, compliance, and security purposes. Despite meeting the Department of Defense (DoD 5015.2) standard, records management in SharePoint Online sends a red flag to some organizations, in relations to the security and location of records stored in the cloud. Although the records center provides end-to-end records management, it typically needs extensions and custom code to provide the additional functionality organizations now need, as compliance requirements continue to balloon out of site.

The incongruity is Microsoft’s push to discourage organizations from custom development, as might be required in eDiscovery and records management, which contradicts its push to use pre-packaged and preconfigured solutions in Office 365. It is unknown if eDiscovery, records management, and the Office 365 Security and Compliance Center will suffice, or whether those applications will remain on-premises.

**If you are using SharePoint Online or Office 365, what are the main reasons?**

The responses to this survey question are unsurprising. The impetus for Office 365 is based on reduced costs, connectivity that includes remote and mobile, and collaboration. Connectivity and collaboration are intertwined because of their interdependence. Collaboration took a significant leap this year, as last year’s survey results showed only 16% of respondents felt that collaboration was a priority, and this year it jumped to 60.2%.

“The enterprise social collaboration solution is expected to gain the maximum traction during the forecast period. Enterprise social collaboration solution is expected to grow at the highest rate during the forecast period as it aims at connecting employees across teams and enterprises. It enables teamwork and exchange of knowledge and ideas to enhance business results. The increasing usage of smartphones and digital devices has enabled the users to connect with anyone in real time from any remote area, which results in improved decision making.”

The question the authors had to ask was how the respondents defined collaboration. Collaboration can include instant messaging, project management, document sharing and editing, video, social networking, calendars, and the list goes on. Microsoft’s strength is primarily centered on enterprise content management or document management, focusing on document sharing features, such as real-time co-authoring, team sites, access rights, and document sets. The inline editing feature integrates Yammer, OneDrive for Business, and SharePoint to form one interface where end users can conduct conversations, and view and edit documents. Microsoft considers Skype for Business, Office 365 Planner, and Office 365 Groups to be part of the collaboration suite. Yammer has again entered the playing field, but still hasn’t found its voice as a social tool.

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12 2015 SharePoint and Office 365 State of the Market Survey, Concept Searching
Jumping on the collaboration bandwagon does not fix poor knowledge sharing. Collaboration tools must contribute value to an organization, such as in business processes. A recurring issue, when effective collaboration tools are provided, is end user adoption. If the tools do not make an end user’s job easier, faster, or more meaningful, then they won’t be used. A good place to start is with business processes, where the end user can see the results. This approach is also aligned with the digital workplace, and can improve process performance and encourage innovation.

Security was the most often cited pain point for cloud office systems, followed by service quality, followed by integration with business systems.

451 Research, *The Impact of Cloud Applications and the Role of IT*

If you will not be using SharePoint Online/Office 365, what are the reasons? Please rate all the following reasons from 1 to 12, with 1 being the primary reason.

This question was seeking to determine the reasons why an organization was not moving to either SharePoint Online or Office 365. A summary, as well as priorities 1 and 12, are shown below. To view all priorities separately please see Appendix A: Reasons for Not Using SharePoint Online/Office 365. Select all that apply.

Priority 1 is the primary reason for not embracing cloud adoption. From the responses seen below, security, once again, is the number one concern, followed by data sovereignty, government mandates, and integration with on-premises applications. This is more or less aligned with the responses from last year’s survey, where the survey had included information governance as an entry on the priority list. The responses from this year’s survey indicate that governance is managed through associated applications, such as government mandates, compliance, and data sovereignty, which are the top concerns in the cloud environment.
A more connected experience encourages users to deepen their commitment to Microsoft’s suite of tools instead of employing a mix-and-match strategy. Despite its overwhelming market share in productivity tools, Microsoft needs to defend against incursions by popular point products such as Quip, Smartsheet, and Evernote and project management products such as Asana and Trello. Microsoft is working toward this with point products like Microsoft Planner, but this will be a persistent challenge.

IDC, Microsoft Launches 2016: A Collaborative, Connected World

Priority 12 represented applications that had no impact on an organization’s likelihood of moving to the cloud. Government mandates and security were deemed to be the least important as well as the most important reasons. Least importance reasons also included managing bring your own device (BYOD), bring your own application (BYOA), and resources. Oddly enough, areas that were indicated as high priority were also selected as low priority, somewhat to the authors’ dismay. The reason may have been that the organization was not moving to the cloud, therefore it was a low priority.

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A survey by an independent source, RightScale 2016 State of the Cloud Report, found that 93% of respondents prefer the hybrid cloud model, and 82% of enterprises already have a hybrid cloud strategy in place. 68% of enterprise run less than a fifth of their application portfolio in the cloud. This is an important finding. Assuming the statistics are valid, enterprises are not moving many core applications to the cloud. Microsoft’s ‘cloud first’ approach was at odds with the reality.
Are you evaluating competing Microsoft cloud solutions?

Unsurprisingly, existing SharePoint and Office 365 organizations are loyal clients. Overwhelmingly 67.2% are not evaluating competing cloud solutions. In this case, familiarity does not breed contempt. Reasons for not switching primary vendors are that these organizations have, for the most part, been using SharePoint and may very well have the in-house expertise needed, or have extensively customized SharePoint, for it to simply make sense to stay with Microsoft. Although one could argue the business case for competing cloud platforms, Microsoft has its strengths, and it does not appear that any other competing vendor is significantly better than Microsoft.

If you are evaluating, using, or planning to use a competitive SharePoint on-premises or SharePoint Online/Office 365 solution, in what application area? Please select all that apply.

There were only three responses that indicated consideration for competitive products that would reside in Office 365. These included collaboration, social tagging, and text analytics, although neither social tagging nor text analytics was a priority. Records management, security, and an enterprise metadata repository were areas that might be under consideration for competitive solutions, and will remain on-premises.
The Role of Metadata

Creating content has never been a problem. Today, we are overloaded with content. The issue can be closely tied to metadata. Even just a few years ago, business executives’ eyes would glaze over when a more technical person was trying to explain its importance. And appropriately so, as to executives it’s not the nuts and bolts but the business repercussions, return on investment, and reduction in organizational risk that are their primary areas of focus. Metadata has never been so critical. The ability to find, sort, and focus on the business information needed requires human interaction. The ability to retrieve accurate and relevant information requires metadata.

The issue facing many organizations is tackling metadata as a single solution approach, such as improving search, which is typical of most enterprise search vendors’ sales strategies. An effective approach is to adopt an integrated, multi-environment metadata repository, where metadata is a core component of the technology infrastructure and so can be applied to a variety of application challenges in the management of unstructured content. This content in context framework can then be used to support a complete range of intelligent metadata enabled solutions.

The problem of metadata does not appear to be going away. According to the survey, manual tagging is still highly prevalent in many, if not in most, organizations. End users are still the primary resource for tagging content. The problem is that the end user is not always the best person to accurately tag content to include the complexities of a document, and that is if they bother to tag at all. For the most part, end users will not tag with thoughtful assessment and with future retrieval and reuse in mind. Nor should the end user be responsible. Many organizations are overlooking the potential that leveraging metadata has to identify business process, workflow improvements, business value, noncompliance, and the potential for failure in eDiscovery.

Providing business users with the tags to select from a drop-down list is, at best, a haphazard approach. It has been proved that end users will select the first option in that list. Inconsistent, erroneous, and subjective metadata can wreak havoc when solving metadata application challenges. Erroneous metadata can become specifically harmful when it impacts a core business process, for example, records management and the potential for noncompliance issues.

The elimination of end user tagging through the use of automatic multi-term metadata generation capabilities represents a significant step forward in managing content. The savings result in a productivity advantage, as well as improved accuracy of tagging. This functionality also provides the missing elements, illustrated by ancillary functions, such as the automatic identification and tagging of documents of record, and the automatic identification and protection of security exposures in accordance with compliance procedures. This provides the ability to apply policies consistently across diverse repositories and environments, which is fundamental to information governance. This accuracy cannot be achieved by manual or prompted tagging, or by simple metadata generation techniques.

Unfortunately, even with enterprise content management or document management software, identifying high risk and high value content calls for a move from a content management solution to a text analytics solution. An organization may understand the risks and value of content in this scenario, but content needs to be integrated into line of business applications to actually reduce business risk and increase business value. Therefore, content must be evaluated on an ongoing, real-time basis, where organizationally-defined risk and value are immediately identified. After all, what is content?
It provides the means to take action, make a decision, change an outcome, and improve business performance. The stumbling block is the inability to quickly identify the risk and value of content when needed. The impact of poor content management becomes greater in the cloud as there are more variables to consider. Questions arise, such as which documents should be moved to the cloud, and what should be stored in OneDrive for Business. These considerations impact privacy, confidential information, records management, search, eDiscovery, collaboration, knowledge management, and negate the ability to build an enterprise metadata repository and appropriate workflows.

**How do you currently apply metadata tags to content?**

It is surprising that the percentage of organizations still using drop-down lists or manually entering metadata never significantly changes. The previous year’s survey reflected 94% of SharePoint organizations were either tagging manually, or end user assistance was being provided via a drop-down list or user aids. That figure in this year’s survey has gone down only slightly, to 91%. Those organizations evaluating auto-classification software have increased in number, from 5% to 15.5% compared with the 2014 survey. *Note: the question was not asked on the 2015 survey.*

**How satisfied are you with the tagging accuracy and results in your organization?**

Again unsurprisingly, satisfaction with tagging, based on the fact that most organizations perform some type of manual tagging, reached only 8.4%. All other responses were noted to have some degree of dissatisfaction.
Auto-classification and Taxonomy Management

Information is equivalent to currency and should be treated as a corporate asset that has real value. This is typically not the norm. Although content lifecycle management ranked highly, it can’t be accomplished until an inventory, or classification of content, is conducted, to determine content that exists and the risk and the value associated with it. Only then can information be used to drive business processes and improve strategic and tactical business planning.

Unfortunately, ignoring information management will eventually cause organizations to lose revenue, increase organizational risk, jeopardize competitive advantage, and render effective decision making impossible. The increasing amount of content being consumed by organizations cannot continue to go unmanaged. To be effective, organizational leaders must also alter their attitudes, recognize the value of content assets and efficiently use these assets to meet corporate objectives.

A half-hearted approach to managing content is no longer a viable option, due to unmitigated content growth, coupled with the fact that 80% of business decisions are made using unstructured content. A traditional oversight that continues is an organization’s inability to place value on unstructured content as a corporate asset. In this scenario, content remains marginally useful at best, with no tangible value assigned.

Organizations cannot now cope with growing challenges in electronic records management, the possibility of data breaches, and the typical issues associated with migration. Topics such as information governance, text analytics, collaboration, social intelligence, and auto-classification are now becoming priorities. Yet, for most organizations, these are not viable options until an enterprise metadata framework is in place, to exploit the inherent value in unstructured content, providing content in context, making it useful to a variety of stakeholders for different purposes and to the enterprise as a whole. This can only be achieved through highly accurate classification of content.

Auto-classification is a catch-all term to mean the contents of a document are scanned and automatically assigned categories and keywords based on the document contents. The issue, of course, is that not all classification technologies are created equal. The choice remains for an organization to select the classification system based on the underlying technology that best supports its business objectives. For example, automatic classification may prevent the ability to alter or change the classifications.

Some require large training sets and, if using rule building, must be completed in multiple iterations, and rules maintained or created to improve accuracy. Others require outside application specialists, learning new languages, and pose integration issues when used to deploy intelligent metadata applications, if they can be integrated at all. Purchasing a pre-built taxonomy will not necessarily be applicable to an organization’s unique corpus of content and vocabulary. Some are restricted to certain platforms, such as availability in SharePoint but not Office 365.

The optimal auto-classification component can be used in real time or on a scheduled basis. The primary advantage is the ability to auto-classify content, eliminating information silos and disconnected systems, as there should be no restrictions on the source repository to be classified. Inheriting the security of the organizational platform, for example SharePoint, users should be prevented from unauthorized access, and, if required for security, portability of content assets is denied when accessing classified content.
Unlike many classification systems, native integration with multiple enterprise platforms removes integration issues and the need for connectors, and reduces, if not eliminates, the learning curve typically required for planning and deployment. For the majority of business users, it should be a transparent process with no training required.

Automated classification processes typically identify during indexing the categories that each document belongs to. Each category is identified by a unique descriptor and is associated with key descriptive words and/or phrases held in the database. This approach enables a rapid implementation of a corporate taxonomy, with all documents classified to multiple nodes at index time. Ideally, the taxonomy can be used to browse the document collection or as a filter when running ad hoc searches.

Automatic classification should be considered one of the highest priorities in an organization. Based on the survey responses, it isn’t. The authors are perplexed as to why auto-classification and taxonomies remain at almost the bottom of the list of priorities, when the functionality spreads it tentacles and impacts not just search but data privacy, protection of confidential information, records management, migration, content optimization, collaboration, text analytics, eDiscovery, and any application that requires the use of metadata.

Content is dynamic and the taxonomy should be flexible, changing as business strategies and structures change. The classification process adapts to an organization as content is changed, moved, or deleted. The taxonomy, coupled with automated classification, forms the foundation for the benefits of information governance to be realized. In fact, all content-centric applications will achieve business benefits, by leveraging the capabilities of the taxonomy using auto-classification.

**Taxonomy Management**

Taxonomy today is misunderstood, being perceived as employing antiquated technologies, and requiring massive human resources, lengthy deployment time, and constant management. Although taxonomy is often referred to as the ‘oldest profession’ and remains of a rudimentary taxonomy can still be seen etched into an Egyptian wall painting dating back to 1500 BC, fortunately, times have changed and so has taxonomy management.

Taxonomy and metadata have an interdependent relationship. The structure of taxonomy and metadata makes them reciprocal elements that work together to create the information architecture for unstructured and semi-structured content. Taxonomies provide the visual organization and structure for organizing content, which metadata does not provide. At the same time, metadata provides more descriptive information about the content to improve access and use of the content. Intelligent metadata generation results in improving workflows and business applications that use metadata when content is classified to one or more taxonomies.

The selection of a taxonomy tool requires separating the wheat from the chaff. Although on the surface, a taxonomy tool may appear to provide sufficient features, the decision made on which one is selected is something that will impact an organization for years to come. The same concerns as those discussed in the auto-classification section earlier in this white paper also apply to taxonomies. Some taxonomy tools are designed for use by the IT team, require learning a separate language, and long-term use of third-party consultants. Extensive rule building and testing can impact an organization’s ability to respond rapidly to business and terminology changes.

15 Compound Term Processing, Concept Searching

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Some tools are not scalable. Totally automated solutions can impact an organization’s ability to develop taxonomies that are aligned with its own business objectives, using its specific terminology. Interactive features are highly desirable and typically do not require a re-indexing of content, enabling tuning to be done in one iteration, instead of many.

Part of the problem is IT teams versus business teams. The business professionals create content, use content, and depend on the availability of content. The IT team is supposed to manage the content, for the most part not knowing its value. This inability to create shared objectives results in a no-win situation. Upper management does need to be involved, as the management of information impacts almost every business group in an organization.

The ability to automatically classify content, and the quality of the classification, relate back to the quality of the metadata. Ideally, the metadata is automatically generated and classified to one or more taxonomies, where it can be managed and highly tailored to an organization’s corpus of content. With the hybrid search capabilities now available, search will still flounder in accuracy, even though the end user may view a single search screen. This will result in making search more cumbersome, just in a different way.

Depending on the taxonomy technology, the ability to be easily used by the business professionals places the decision-making in the hands of the professionals who created the content, which is where it should be.

Do you have a taxonomy management tool, either internally developed or a commercial product?

For the most part, 58.8% of organizations do not have any type of taxonomy management tool, either internally developed, such as a spreadsheet, or a commercial product. 15.5% of organizations have taken on the headache of internally developing a taxonomy tool. A mere 10.3% are using a commercial product and 15.5% are evaluating taxonomy products. Although not overwhelming in numbers, this indicates an excellent trend in those who are evaluating or using a taxonomy tool, albeit rudimentary.

The story goes that if Microsoft had made completion of the properties box of all Office documents mandatory, there would be no need for document management systems. But as the politicians say, ‘we are where we are’ so we need to develop taxonomies – a set of chosen terms used to retrieve online content – to make the search and browse capabilities of the content, document or records management systems truly functional.

A Guide to Developing Taxonomies for Effective Data Management

![Diagram showing the percentage of organizations using taxonomy management tools.](image-url)
If you are considering automation tools, in what time frame?

The majority of responses, 55.6% will be taking more than 12 months to evaluate a tool. Although to many that seems to be a long time frame, in reality it is not. Evaluating and selecting any type of content management tool requires careful thought and input from the IT team, business executives, and knowledge workers. Requiring a proof of concept also delays the decision, and is a wise approach to take during the evaluation stage.

![If you are considering automation tools, in what time frame?](image)

If you use metadata generation, auto-classification, taxonomy, or alternative tools, are you satisfied with the performance and features?

Although all metadata, classification, and taxonomy solutions are not created equal, the authors were surprised that almost 10% were not satisfied with the tools they were using. However, one needs to keep in mind that 15.5% developed their own, in-house tools.

![If you use metadata generation, auto-classification, taxonomy, or alternative tools, are you satisfied with the performance and features?](image)
Who manages metadata and the taxonomy, or alternative tool, in your organization?

As mentioned previously, the ideal situation is to have both the IT team and subject-matter experts participate in the taxonomy development and creation of meaningful tags that are unique to the organization’s corpus of information. It was a positive 32.7% that jointly use the tools.

![Pie chart showing distribution of who manages metadata and the taxonomy or alternative tool.]

On average, how much time per week is spent managing the taxonomy or alternative tool?

For those who have some type of taxonomy, 19.3% spend half a day per week managing the taxonomy. This is not an inordinate amount of time to reap the benefits of the tools. In evaluating taxonomy technologies, organizations should be looking for tools that are easy to use and manage, and these features need to be required and illustrated during the proof of concept.

![Pie chart showing distribution of time spent managing the taxonomy or alternative tool.]

Taxonomies, as hierarchical vocabulary structures, clearly define relationships between words and concepts. If a taxonomy is implemented and governed properly, there is a high degree of control over how terms are added, modified, and deleted. Terms used for content tagging can also be controlled in how they are selected and applied.

Earley Information Science, Taxonomy and Records Management
How many people resources are needed to manage the taxonomy or alternative tool?

The ideal answer is to have the most resources involved in the management of a taxonomy. Based on the belief of the authors, subject-matter experts should work with the IT team to jointly manage, maintain, and tune the taxonomy to maximize value. The authors are not suggesting a free-for-all, but sales and marketing teams may have very different expectations and requirements to those in legal and finance departments. Therefore, when appropriate, the subject-matter experts should be actively involved in their specific areas of knowledge.

SharePoint metadata management supports a range of approaches to metadata, from formal taxonomies to user-driver folksonomies. You can implement formal taxonomies through managed terms and term sets. You can also use enterprise keywords and social tagging, which enable site users to tag content with keywords that they choose.

Are you using the Managed Metadata Service and the Term Store?

Results from previous surveys show use of the Term Store to have remained almost stagnant. In last year’s survey, 44% were using the Managed Metadata Service, and this year’s survey reflects an increase, to 53.7%. 
If you are not using the Managed Metadata Service and the Term Store, why not?

The Term Store has not necessarily been embraced by most SharePoint organizations. Although the end result delivers value, it is resource intensive and, as shown by historical data, is managed mostly by the IT team, not the business users. Some taxonomy tools provide varying degrees of integration with the Term Store, eliminating many of the resource requirements, and increasing the accuracy of the term sets. Some products are also native to SharePoint and/or SharePoint Online, and will automatically populate the Term Store with descriptive tags generated by the system or by users.

If you will be using term sets, will you be using them in SharePoint on-premises, in SharePoint Online, or in both environments?

Based on the responses, 37.2% will be using term sets in both an on-premises and an online environment. As indicated in the next question, search is the primary driver for the use of term sets. The other responses, eliminating those not using term sets, are split at almost 50/50 on usage in one environment or the other.
If you are using term sets, please specify in which application. Select all that apply.

Search and collaboration were clear winners on the use of term sets. If an organization is implementing hybrid search, it would be helpful to use term sets to improve the search process. As discussed previously, with poor metadata and with combined on-premises and online search results, the end user can be overwhelmed by inaccurate results, negating the positive impact of hybrid search.

Metadata Workflows

Workflows are often complex, and become more complex when developing and deploying workflows that will span both on-premises and the cloud. “As complexity of workflow increases, you will need to use other tools to model those workflows, and you will probably need multiple tools, including Visio, Visual Studio, and perhaps even the Workflow SDK. Depending on your technical skills and licensing arrangements, this could be cumbersome and expensive.”

This approach is resource intensive and requires a high level of expertise and testing to ensure the workflows are working correctly. There are tools offered by vendors that provide this functionality, with rules being built by subject-matter experts in addition to the IT team. Some classification and taxonomy products provide the capability to develop complex workflows, with several actions performed depending on criteria that have been met. For example, creating a workflow that will identify privacy descriptors and phrases in real time from within the content of the document, automatically populate the Term Store, change the content type, and route the documents containing an exposure to a protected repository, so they are automatically protected, eliminated from search, and prevented from portability.

To achieve this using Microsoft tools can be complicated. Evaluating products where this sequence of events can be written and tested in minutes reduces costs and resources, and enables the proliferation of workflows that eliminate end user actions, to reduce risk and provide business value. Ideally, workflows should work in any environment, enabling the same automated workflows to be deployed across the enterprise.

Mobile security isn’t just about mobile fraud. Fraudsters are using mobile malware and social engineering not only to initiate fraudulent transactions from a victim’s mobile device, but also as part of carefully planned and well-coordinated cross-channel attack. As a result, businesses that fail to monitor and take into account mobile risks and compromises may be missing the bigger picture, which can lead to greater overall exposure and potential loss. At the same time, mobile fraud costs are rising. LexisNexis found that fraud costs via the mobile channel were 20% higher per dollar than via the online channel. In response to the increased risk, the Federal Financial Institutions Examination Council (FFIEC) in the US and the European Central Bank (ECB) have issued guidelines to help organizations strengthen security for mobile financial services.
If you are using metadata to drive workflows to improve business practices, please specify in which areas. Select all that apply.

![Bar chart showing areas of metadata use](image)

Status of Applications and Priorities

Mobile and Remote Connectivity

To take full advantage of the cloud and collaboration, remote users and mobile users must be able to access applications as if they were on-premises. Office 365 does provide connectivity, but mobile continues to be the Achilles’ heel for Microsoft. Test carefully. According to a KPCB report, mobile digital media is now outpacing desktop usage. The report states that adults with access to digital media use mobile 51% of the time compared to 42% for desktop usage, and 7% for all other devices. A key consideration is security for mobile devices.

How important is mobile connectivity? For most businesses, mobile access is a critical requirement, used either internally to connect dispersed users or to drive revenues through consumer or partner access. In both cases, security is the primary consideration. According to Forrester Research, by 2020 there will be more than 5.4 billion active smartphones in the hands of more than 3.6 billion subscribers across the globe. “Mobile threats and malware are still in their infancy and the risk isn’t significant enough yet.” It’s time to think again. The rise of advanced, PC grade mobile malware, innovative fraud schemes, such as SIM swap fraud, and fraudsters’ increasing use of mobile devices in cross-channel attacks pose a significant threat.

Security

A significant survey, published by CloudLock, found that 27% of cloud applications are risky, and 58% are classified as medium risk. The report, based on an analysis of 10 million users, 1 billion files and almost 160,000 unique applications, states that the two years from 2014 to 2016 have seen an almost thirtyfold increase in third-party cloud apps, from 5,500 to 160,000.

CloudLock, Ayse Kaya-Firat, Director of Customer Insights

According to the Office 365 Adoption and Risk Report by Skyhigh Networks, the average company uploads 1.37TB of data to Office 365 each month, and 17.4% of the documents uploaded contain sensitive data. The average organization experiences 2.7 threats each month within Office 365. For example, the average enterprise has 204 files that contain the word ‘password’ in the file name stored in OneDrive for Business, up from 143 files in Q3 2015.

Skyhigh Networks, Office 365 Adoption and Risk Report

Real Story Group

Is Mobile Banking Safe?, Security Intelligence, June 2016

Global Smartphone Subscribers Surpassed Feature Phone Subscribers in 2014, Forrester Research, Blog Category: Android

The Explosion of Apps: 27% are Risky, Q2 2016, CloudLock

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The number of third-party app installations has increased by 19% in the last three months alone, with the average organization's users connecting 733 third-party apps to the corporate environment. In 2014, that number was 130.

The survey also found that 52% of respondents believe cloud apps can be as secure as, or more secure than, on-premises apps. A significant jump from 40% of respondents a year ago. Almost 60% believe legacy security infrastructure is made obsolete by the use of cloud applications. More than 50% of respondents believe unauthorized access is a top threat to cloud security, and 34% see external sharing of sensitive information as a top threat. The survey was extremely enlightening and highlighted the need for more education and awareness of cloud security.

**Data Loss Prevention**

Microsoft announced the Data Loss Prevention (DLP) policy in the Office 365 Security and Compliance Center in 2013, which is an important addition to the security features in Office 365. As of January 2016, DLP was also available for SharePoint on-premises. The DLP policy can identify vulnerabilities in OneDrive for Business, Office 365 desktop programs, and SharePoint Online. DLP now contains 51 built-in sensitive information types, although since Office 365 is used globally, many information types pertain to a specific country. For mobile users, DLP generates tips when users are storing information that contains sensitive data. This places the onus on the end user to correctly process the content. Somewhat risky in itself.

The most common mistake that many organizations make in DLP implementations is to install a DLP product and assume that their information leakage problems will be fixed. They fail to consider the processes needed to ensure that only the intended information is controlled, and to ensure that the DLP platform doesn’t introduce any new risks, such as a rogue employee having access to a far greater volume of sensitive information than would otherwise have been the case. Additionally, unsecured management of the platform may result in the platform itself becoming the source of serious confidentiality exposures.

- “Data Loss Protection platforms implemented solely as an IT initiative, rather than as a broader business-oriented information risk project, doom the DLP product to obscurity as an annoying or toothless technical control rather than as a component in a powerful risk management process.
- Processes that fail to demand active participation from the business units that carry the information risk controlled by the DLP platform can lead to misalignment between business risks and detention policies.
- Chief Information Security Officers that fail to generate event based reporting linked to business requirements will not have the evidence needed to satisfy any requirement to prove that benefits have been achieved.  

Despite the drawbacks of DLP, Microsoft has provided the capability to shore up security. It is up to organizations how they will implement, control, and account for it. Information risk control affects a large span of information, such as any document of value including intellectual property, documents under regulatory or legal control, contractual information, and high-risk information that cannot be stored in a public cloud or requires encryption.

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21 The Explosion of Apps: 27% are Risky, Q2 2016, CloudLock
22 Best Practices for Data Loss Prevention: A Process, Not a Technology, WebSense

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It also covers end user control and knowledge transfer, to ensure an understanding of securing information and the risks assumed, accumulating evidence of information transfer to support internal investigations and, most basically, discovering the presence and location of information that meets defined criteria.

There are some drawbacks to DLP that should encourage organizations to consider auto-classification and taxonomy software. DLP takes an after-the-fact approach, not a real-time one. It is also a very manual process and limited to descriptors that are most commonly used. For example, documents that contain highly specific intellectual property details, financial information, customer information, or any content that an organization regards as confidential are not necessarily identified. This results in massive quantities of documents becoming an issue. One of Concept Searching’s clients has in excess of 10 million documents. When looking at these types of numbers, the use of DLP becomes a challenge. Questions remain. How many documents that contain vulnerabilities will be overlooked? How many documents that contain multiple, unrelated vulnerabilities will be overlooked? It is up to organizations to decide if the risk is worth it. If they can determine what exactly needs to be flagged as an exposure. Unfortunately, since it is after the fact, it just may be too late.

**Collaboration**

Based on the survey responses, collaboration has become the primary application focus. The caveat is that too much collaboration is not productive. According to an article in the *Washington Post*, "Up to six hours per day are lost to interruptions. In essence, the average workplace is limiting the productivity of its team to two hours a day and losing 75% of its collective time."23

The goal of the digital workplace is to not only expedite and automate mundane end user tasks but also make collaboration a key component. The Washington Post article goes on to explain that the ideal work environment is to have three to four continuous hours without interruptions in the morning and again after lunch. This is stated to be the optimal point reaching maximum productivity for employees.24 Although the US workforce has a penchant for putting in long, arduous hours at work, the authors feel that this number would be difficult to achieve without collaboration thrown in. In order to achieve these high standards, end users and organizations need to determine the who, what, and why of collaboration.

**Search**

According to *International Data Group (IDG)*, unstructured data is growing at a rate of 62% per year. And *Gartner* estimates data volume will grow 800% over the next five years, with 80% of it being unstructured data. Enterprise search is a perennial mess. Organizations typically replace their enterprise search every few years or so. That doesn’t account for separate departments or divisions that control their own search and fly under the radar. Most organizations have a misconception that search is just plug and play, requiring no tuning, maintenance, or management. Then the executive management wonders why, after they have paid a sum of monies, the product doesn’t work. Something not to forget is that all tagging is done manually by the majority of organizations. It is no wonder that most enterprise search products are doomed to failure from the start, and it isn’t the fault of vendors.

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23 *Work interruptions can cost you 6 hours a day. An efficiency expert explains how to avoid them*, Washington Post, June 1, 2015
24 Ibid.
Search is always a priority, yet no one does anything about it. And so the complaining by end users continues. It is stated that over 80% of business decisions are made using unstructured content. That issue, of course, leads to poor decision making. In its classic brief, IDC estimates that only 50% of content is correctly indexed, meta tagged, or efficiently searchable. The authors anticipate that the amount is probably much higher.

Microsoft has never abandoned enterprise search. Since its acquisition of FAST, time, resources, and money have been spent on search. Issues are, of course, poor metadata, no auto-classification, and the major downfall of using the Term Store instead of automated classification and robust taxonomy features. Based on results from previous surveys, as well as this one, organizations are loyal to Microsoft search and don’t seem to be leaving the fold for competitive products. It appears they are determined to fix the problem, despite the inherent limitations.

**Application Focus**

*Note: The full set of questions can be found in Appendix B: Applications Focus. High Priority is discussed below.*

This question sought to determine what the priority applications within the organization were. Collaboration was the clear winner, followed by search, with security in third place. No surprises here. The remainder of the responses were more or less spread across the board. Content lifecycle management is also an application priority, and is in fourth place. This would make sense, as content lifecycle management is closely tied to search and collaboration. Compared with the previous year, security and information governance were first and second priorities, followed by collaboration at 16%.

On average, an information seeker will provide 2.73 terms describing the information need, and will only attempt a search twice in a given session. If the right information isn’t located in those two attempts, the user assumes it does not exist or that it is, at best, inaccessible.

*Darin Stewart, Gartner, Simplistic Search Strategy*

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Are you satisfied with search results and the ability to find information?

It is an almost 50/50 split on the satisfaction with search results and the ability to find information. In fact, almost 52% were satisfied with the search results. This response is somewhat at odds with the application focus, where search was the number two priority. Having given some thought to this question, the typical respondent is a technical rather than a business user, who needs to find information quite frequently. Considering their background and systems expertise, it is conceivable that the respondents are satisfied with search. It would be interesting to put the same question to the end users in the organizations, to determine their satisfaction.
What is your enterprise search engine?

SharePoint was hands down the leader from the responses to this question, at 78.1%. Since enterprise search was a high priority application, it is the authors’ contention that SharePoint is the default search engine. This is understandable, as a third-party search solution would need to be evaluated and deployed, initially setting back search instead of moving it forward.

Since search is a priority for improvement, this makes for a good argument that organizations that need to improve search responses and increase collaboration should evaluate technologies that generate meaningful metadata, auto-classify content – preferably to the Term Store, and provide tools to manage the enterprise metadata framework easily and quickly.
Are you planning on changing your enterprise search engine to a competing Microsoft search application within the following time frames?

85.5% of organizations have no plans to switch search engines any time soon. Compared with last year’s results, almost 44% were evaluating competing search products. The authors initially assumed this could be attributed to the hybrid search capabilities, but that assumption appears not to be correct, based on responses to further questions. It may be that organizations are willing to live with the current search and, as we have seen, are working on improving search results internally.

Is it important that hybrid search is the single point of search across SharePoint Online, on-premises, and file shares in your organization?

Combining the responses, from ‘extremely important’ and ‘nice to have’, represents almost 78%. Of course the other option is to combine the ‘not important’ and the ‘nice to have’ responses, which results in approximately 62%. The answers did somewhat surprise the authors, as they had assumed that hybrid search capabilities would have been a priority, with more organizations planning to deploy.
If you will be deploying hybrid search, in what time frame?

Despite having rated search as an application priority, for the most part, organizations will not be implementing hybrid search any time soon, if at all. Moving to Office 365, or using Office 365, is still fraught with connectivity issues, as well as security concerns, for many organizations. Despite trying to make the move seamless, thorough planning, testing, and monitoring is still required. Again, the percentages also include those organizations that are not, or will not, be using Office 365.

![Pie chart showing hybrid search deployment time frame]

If you are not using OneDrive for Business, why not? Please select all that apply.

46% of organizations do not see a need to use OneDrive for Business, despite the 66.9% that will be using it. Adding up the organizations not using it, the responses were telling and interesting. Almost 24% of organizations feel that end users will not follow corporate policies. This has been borne out by the problem of Shadow IT.
Skyhigh Networks concluded from its Cloud Adoption, Practices and Priorities Survey Report that Shadow IT is ten times worse than most IT departments suspect, with 72% saying they have no idea how big an issue it actually is.

Almost 24% of the respondents are not willing to use OneDrive for Business, and the primary reason is that end users will not follow corporate policy. On the other side of the coin, survey responses from the same Cloud Adoption, Practices and Priorities Survey Report state that, “56% of respondents said their company does not have policies in place that prohibit the use of personal file sharing, and sync solutions for storing and sharing company documents. 14% aren’t sure if the employer does or not.”

The cloud has brought a surge of end users using their own applications or devices. This is reflected as a concern in the responses to this question, with 17% of organizations unwilling to use OneDrive for Business for that reason. How much of a problem is this? A Netskope Cloud Report found that 90% of cloud apps in use at businesses are not of enterprise grade. Astoundingly, the research also found that the average organization has more than 600 cloud applications in use – which the IT team may, or may not, know about.

Additional responses show that OneDrive for Business creates opportunity for data breaches, and because of this 16.5% of organizations will not be using it. “Fragmented data living outside the company network not only hinders business management, but is subject to staggering compliance and security risks,” said Orlando Scott-Cowley, Director of Technology Marketing at Mimecast. “For example, running searches for files that are needed for eDiscovery can become a challenge, especially if end users won’t cooperate.”

Finally, 15.3% of organizations felt that OneDrive for Business was just too hard to manage.

Experts suggest that employees may forget 50% of training information within one hour of a presentation, 70% within 24 hours, and an average of 90% within a week. When you consider this, it is clear that training once a year or on an ad hoc basis is not sufficient to ensure information security policies and procedures are being followed.

Chris Moschovitis, CEO, tmg-emedia, co-author of the critically acclaimed ‘History of the Internet: 1843 to the Present’

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Skyhigh Networks, CSA Cloud Adoption Practices and Priorities Survey Report

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CSA Cloud Adoption Practices and Priorities Survey Report, Skyhigh Networks
An average organization of 15,000 would look at approximately 1.7 million security events per week. Of those 1.7 million security events, 324 of those events were security attacks. Those security attacks were deliberate attacks carried out by motivated attackers. For those attacks, 2.1 of those 324 attacks would result in a compromise. So 2.1 times a week a bad guy was getting into the organization.

In 2016, ISACA published the top three cybersecurity threats facing organizations in that year. They were, in order: 52% Social Engineering; 40% Insider Threats; 39% Advanced Persistent Threats.

Security

Interestingly, the ‘practice what you preach’ approach should bring kudos to Microsoft and its IT operations. “Microsoft IT was tasked with moving approximately 2,100 line of business applications to Microsoft Azure, including applications that support human resources, finance, and support functions. They realized that security in the cloud is significantly different from security in an on-premises datacenter. The shift from ‘protect and prevent’ to ‘detect and respond’ required a change in corporate culture as well as technology.”

Despite Microsoft’s awakening to cyber security, security breaches are now a daily occurrence, and those are the published ones. Regardless of whether the incident was due to a hack, ransomware, or a new vulnerability, the end result is often loss of both millions of dollars and brand value. Organizations have concentrated on perimeter security, which is an obvious necessity. What is overlooked, and one of the most significant causes of breaches, is an organization’s own end users. This may be by the salesperson, moving on or fired, who by downloading the organization’s customer list is performing a security violation. Or you may have an Edward Snowden lurking behind a cubicle. The IT department is typically unaware of potential vulnerabilities at the context level that could result in a security vulnerability. Organizations believe they are secure when, in reality, they are not. Are they losing the battle, or losing the war?

Employees who consume personal cloud services at home expect the same from their business IT environment. For users of Shadow IT, banning such applications will have a negative impact on productivity. Some organizations are at higher risk of noncompliance and information loss as a direct result of employees using personal file-sharing tools not approved by the IT team. End users will always find a workaround, regardless of whether or not it is approved. The downside is increased security risk, lack of control of information, and a loss of enterprise ownership of information assets. For the CIO, there is a need to rethink application and service delivery – not an easy task. Do you lock down every device or embrace a people-centric computing strategy as the foundation of your application and service delivery?

Cyber security is not an IT problem. It is a risk management problem. It is also a people problem. Most security products, including Office 365 Compliance Search, will identify the most likely and standard descriptors typically used by most organizations. The thoroughness of that type of interrogation is questionable. Confidential information, For Official Use Only (FOUO), new product information, competitive information, and customer information may all contain confidential information, but each may not have a common denominator to use as a rule. What to do then?

Do you feel your organization’s perimeter security is strong enough to withstand an external data breach, malware, or intruder?

Although security was a high priority, it appears that most organizations feel that their perimeter security is prepared to withstand an external data breach, malware, or intruder. One would question how prepared the organizations really are. From recent surveys, it appears that they are not as secure as they think.

26 Making Security a Priority when Moving Applications to the Cloud, Microsoft Developer Network

2016 SharePoint and Office 365 State of the Market Survey
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Most data breaches are caused internally by an organization’s own staff, either deliberately or accidently. Do you feel your organization is protecting internal, confidential content, and is protecting content mandated by external organizations?

Again the responses to this question will lead one to believe that all content has passed a rigorous test for protection of any information the organization has deemed confidential. The likelihood of protecting all confidential and privacy information is highly doubtful.

Organizations that are truly concerned about security should evaluate vendors who provide protection for unstructured and semi-structured content, by identifying the content and context from within a document. Before purchasing, an organization should perform a proof of concept, to randomly test for vulnerabilities that may have been overlooked. Knowing whether its content is truly protected, will bring an organization some comfort, or perhaps dismay.

According to Osterman Research, 95% of business users primarily communicate via email. Of emails sent, 98% were sent with attachments. Secure? Highly doubtful. Mobile devices and BYOD have unlocked a hornets' nest and put security of confidential information at risk.

Osterman Research
Are you using Exchange Online?

Unsurprisingly, 45.1% of organizations are using Exchange Online. In last year’s survey, it was found that using Exchange Online was the primary reason for using cloud technologies, and the majority of respondents were using few of the Office 365 products.

“A recent analysis found that while Office 365 has a foothold in 91.4% of enterprises, just 22.3% of enterprise users have been migrated to Microsoft’s cloud-based productivity suite. Studies continue to find that concerns about security are the single greatest barrier holding back cloud adoption. Perhaps with good reason; 17.1% of files in OneDrive and SharePoint Online contain sensitive information including payment cards numbers, Social Security numbers, business plans, financial records, and even user passwords.”

Yammer

Yammer was not covered this year in the survey. The authors have added information on recent Microsoft announcements on the resurrection of Yammer. The status of Yammer has been confusing to the general public, and Microsoft had seemed to forget its existence for four years. Yammer has struggled to find its place in the enterprise and left the marketplace at times shaking its head on exactly what Yammer was supposed to do. In September 2016, Microsoft changed Yammer to Office 365 Network, that decision creating an outcry from developers and technical experts, who had finally understood the rhythm of Yammer and believed it was going away.

Slack is Yammer’s biggest competitor, and it appears that Microsoft has now taken notice. In February 2016, Microsoft announced it was activating Yammer for Office 365 business customers. “The end result of this push is that every Office 365 user with a Yammer license will be able to use the service from the Office 365 app launcher, as well as start Yammer conversations from within SharePoint, Office 365 Video Portal, and soon Delve and Skype Broadcast as well.”

By 2018, 40% of Office 365 deployments will rely on third-party tools to fill gaps in security and compliance, which is a major increase from less than 10% in 2015.

Vaultive, Breaking Bad: The Risk of Unsecure File Sharing

27 Office 365 Security Concerns: How Safe is My Data?, Ajmal Kohgadai, Skyhigh Networks
28 Microsoft Turns On Yammer For Office 365 Business Customers, Sarah Perez, TechCrunch
Yammer was never really understood from a user perspective. In fact, the authors are still confused on what Yammer is intended to accomplish. It remains to be seen whether organizations will now embrace Yammer with some cloud maturity under their belt, or again abandon Yammer, use Slack, or use nothing.

**Conclusion**

SharePoint and Office 365 organizations are moving forward and continue to exhibit an overwhelming commitment to Microsoft. The general mood of the respondents illustrated a somewhat laissez-faire attitude and a willingness to follow what Microsoft suggests, but with a lack of enthusiasm and little passion.

Still hesitant about moving core business applications to the cloud because of security and control, it appears they do not have the same fears when placing content in the cloud, which represents the same security risks. Adopting the reservations represented by the media, professional services, and some analysts, security is a major concern. But at times the authors got the feeling respondents weren’t really sure why security should be a concern, and that they showed a level of comfort that their content was protected.

With a lack of interest by the majority to automate tagging, organizations appear to be committed to continuing the manual process, yet at the same time the interest in content lifecycle management made its mark in priority applications. The dichotomy was difficult to understand or explain.

The respondents articulated the benefits of moving to the cloud, including reduced storage, reduced costs, remote connectivity, and collaboration. Based on these responses, organizations need to have the infrastructure in place before they can move forward with using the cloud, hence the high interest in connectivity.

The survey did not cover the digital workplace. Based on the general attitude of the responses, organizations have their objectives in place and have a conservative approach to assimilating the integration of cloud and on-premises environments. Still holding back on implementing technologies that could achieve significant benefits, they are focused on the big picture, and the adoption of the digital workplace is imagined to be far from their ambitions.

Despite media reports, these organizations do not have a strong impetus to embrace the cloud as their environment of choice. To them, it is a radical change and they are treading carefully. The brave new world isn’t their vision, but a reality they are forced to adopt. It remains to be seen whether the benefits of Office 365 will become prominent in their goals. It does not seem likely. SharePoint runs their business, and is their first and foremost priority. The alternative choice represents uncertainty and is the road less taken. At least for now.
Appendix A:
Reasons for Not Using SharePoint Online/Office 365. Select all that apply.
Appendix B: Applications Focus

![Application Focus Chart]

![Works as intended Chart]

![Actively improving now Chart]
About Concept Searching

Concept Searching is the industry leader in advanced semantic metadata generation, auto-classification, and taxonomy management. Its award winning products are the only statistical metadata generation and classification technologies that use compound term processing to generate intelligent metadata from unstructured and semi-structured data. Compound term processing, or identifying ‘concepts in context’, solves a variety of business challenges. Using the concept identification capabilities, organizations can transform content into business assets to improve performance.

Concept Searching’s Smart Content Framework™ for information governance is a combination of best practices and underlying products that encompass the entire portfolio of unstructured information assets, resulting in increased organizational performance and agility. The output from the Smart Content Framework™ delivers intelligent metadata enabled solutions that are being used to enable concept based searching, automatic declaration of documents of record, identification and protection of privacy and confidential data, intelligent migration, content management, granular identification of content for text analytics, and improved delivery of social content. The solutions are deployed in diverse industries, Fortune 1000 companies, and smaller companies that need to meet strict compliance, data privacy, and information governance regulations.

Concept Searching has a Microsoft Gold Application Development competency and is a participant in the global Business-Critical SharePoint program. Although platform independent, the Concept Searching Microsoft suite of products uses a single code base, supporting all versions of SharePoint, SharePoint Online, and OneDrive for Business, providing clients with the choice of on-premises, cloud based, or hybrid environments to best meet their needs.

Headquartered in the US, with offices in the UK, Canada, and South Africa, Concept Searching solves the problem of finding, organizing, and managing information capital. For more information about Concept Searching’s solutions and technologies please visit www.conceptsearching.com and follow on Twitter and LinkedIn.