

# Nearly 100 Percent of Business Cloud Applications Lack Enterprise Grade Security and Compliance Features, According to Blue Coat Elastica Shadow Data Threat Report

Submitted by: Blue Coat

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Study Shows Enterprises Using 20 Times More Cloud Apps than IT Estimates; Confidential Data is Being Broadly Shared in Violation of Regulations; 98 Percent of All Apps Fail to Meet GDPR Compliance Standards

LONDON, UK, July 28, 2016 – Blue Coat Systems, Inc., a leading provider of advanced web security solutions for global enterprises and governments, today released findings of the First Half 2016 Shadow Data Threat Report. The research was conducted and published by Blue Coat Elastica Cloud Threat Labs, and provides a data-science powered analysis of more than 15,000 enterprise cloud apps in use and 108 million enterprise documents stored and shared within them.

In this edition of the report, we established a risk-based scoring system to determine the business readiness of cloud apps. Using this scale, we analysed apps for their ability to provide compliance, data protection, security controls and more. Of the 15,000 apps analysed, it was revealed that 99 percent do not provide sufficient security, compliance controls and features to effectively protect enterprise data in the cloud. Additionally, the report revealed that Shadow Data, unmanaged content employees store and share across cloud apps, continues to remain a major threat, with 23 percent of it being broadly shared among employees and external parties. The report also found that organisations are running 20 times more cloud apps than they estimate, with most using an average of 841 across their extended networks.

“The vast majority of business cloud apps we analysed do not meet enterprise standards for security and can put companies at risk for compromise even though virtually every enterprise uses them,” said Aditya Sood, PhD and Director of Security and Elastica Cloud Threat Labs at Blue Coat. “This is troubling when you think about the financial risks faced by enterprises due to insecure or non-compliant apps. Understanding which cloud applications your employees are adopting and using is an important step to identifying which apps are business ready and which apps need to be replaced with more secure alternatives.”

## GDPR, a Global Concern

With the adoption of the General Data Protection Regulation (GDPR), the European Commission has provided a standard for cloud application security and compliance. With the rapid adoption of cloud apps around the globe, there is heightened concern with regard to the business readiness of many apps in the European sector. For this reason, the 1H 2016 Shadow Data Threat Report now includes analysis into whether or not apps are meeting this stringent guideline and found that 98 percent are not GDPR ready.

In addition to the primary findings revealed in the report, many more were uncovered:

12 percent of broadly shared documents and files contain regulated information and confidential data such as source code and legal information.

95 percent of enterprise-class cloud apps are not SOC 2 compliant.

63 percent of risky user activity in the cloud indicates attempts to exfiltrate data.  
37 percent of suspicious cloud activity indicates attempts to hack into user cloud accounts.  
71 percent of business cloud apps do not provide multi-factor authentication.  
11 percent of enterprise cloud apps are still vulnerable to one or more major exploits such as FREAK, Logjam, Heartbleed, Poodle SSLv3, Poodle TLS, and CRIME.

“Adopting new cloud applications can increase a business's productivity and enable organisations to become more agile, but with rapid migration to the cloud comes a significant number of security and regulation challenges,” said Mike Fey, President and COO at Blue Coat Systems, Inc. “An effective and comprehensive security solution must provide granular visibility and control over cloud apps and meet new cloud security regulations like the EU’s GDPR to qualify as enterprise-grade for organisations doing business in the cloud.”

Blue Coat’s Elastica cloud security platform provides a unique set of security solutions for more than 15,000 organisations worldwide that work across on-premises and enterprise cloud-managed environments. The platform integrates the power of data science and machine learning to deliver advanced visibility into real-time network traffic to identify threats and mitigate risks of sensitive data in the cloud while enabling the secure use of sanctioned applications.

To access the full 1H 2016 Shadow Data Threat Report, visit  
<https://www.elastica.net/1h-2016-shadow-data-report/>

To learn more about Blue Coat’s enterprise and cloud security offerings, visit  
<https://www.bluecoat.com/> and <https://www.elastica.net>

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#### About Blue Coat Systems:

Blue Coat Systems, Inc., is a leading provider of advanced web security solutions for global enterprises and governments, protecting 15,000 organisations including over 70 percent of the global Fortune 500. Through the Blue Coat Security Platform, Blue Coat unites network, security and cloud, protecting enterprises and their users from cyber threats – whether they are on the network, on the web, in the cloud or mobile. Blue Coat was acquired by Bain Capital in March 2015. On June 12, 2016, Symantec and Blue Coat, Inc. announced that they have entered into a definitive agreement under which Symantec will acquire Blue Coat for approximately \$4.65 billion in cash. The transaction has been approved by the Boards of Directors of both companies and is expected to close in the third calendar quarter of 2016. For additional information, please visit [www.bluecoat.com](http://www.bluecoat.com) or connect with us on Facebook, Twitter, and

LinkedIn.

Media Contacts:

Isabelle Duarte  
Blue Coat Systems  
isabelle.duarte@bluecoat.com  
+44 1252 554 689

Ed Stevenson|Chris Smith  
Positive Marketing  
bluecoat@positivemarketing.com  
0203 637 0647/0643