The Next Generation of Archiving is Here

Market Pulse

So. Much. Data. It's a consistent and open-ended refrain—and it's not going away. Back in 2012, *Computerworld* reported that there would be 40 zettabytes of data on Earth by the year 2020, which is roughly 5,200 GB for every person. Here is another way they looked at this data explosion: They depicted it as being about "57 times the amount of all the grains of sand on all the beaches on earth"[1].

The way people communicate is changing, which drives the need for purpose-built solutions to ensure compliance. In this age of growing data proliferation and the need to use that data, it is pivotal for companies to become proactive about how they manage new content types, such as social media tools and enterprise collaboration application data.

CIOs need to answer this question: Who in the company needs all of this archived data to be ready for use? At the same time, global regulations require companies to store, archive, secure, and have access to mammoth volumes of data. Regulations often depend upon the ability for companies' legal and risk management teams to prove compliance to the laws of the land, or face legal action, fines, media attention, government scrutiny, and a host of other potentially negative and costly outcomes.

This is not hyperbole. Recent 2016 IDG research commissioned by Proofpoint reveals IT and business managers are very concerned about these data management, security, and compliance issues. Nearly three quarters of 100 survey respondents (72%) said they have archive challenges spurred by volume growth of unstructured data. Similarly, 61% found data security to be a top archiving issue; while more than half (53%) reported challenges in growing records retention requirements. A quarter of respondents (25%) cited new content types as a key archiving issue.

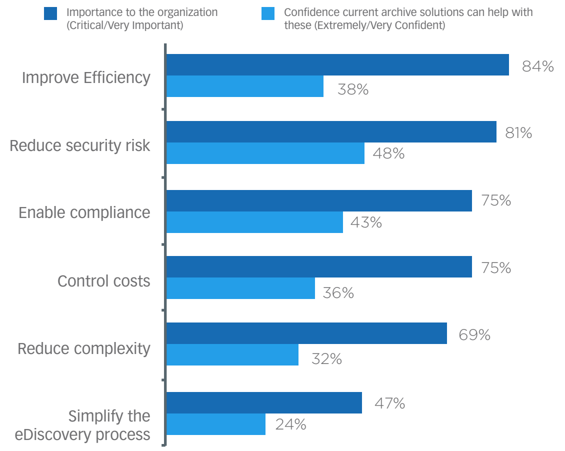
Companies cannot run their businesses, with employees or with customers, without targeted communications and collaboration systems. New data formats from emerging content types require careful, secure, purpose-built functionality. Direct access to your customers' data combined with new data in newer content types—such as collaborative applications (Skype for Business, Yammer, Chatter, and others) are not necessarily compatible with traditional archiving products and services.

Purpose-Built Archiving Needed Now and For the Future

With so many purposes for data, companies of all sizes, regions, and scale are asking: Is our data fit for purpose? Do our compliance and legal teams have ready-to-go data archives that are properly prepared for the myriad of risk management and regulatory functions needed for today—and for the future?

IDG survey results clearly show the following: existing and legacy archiving technologies are not meeting the needs of IT and business managers polled. There are wide deltas between archiving objectives and respondents' confidence to meet these objectives over the course of the next year. More than 80% of respondents claimed they need to improve efficiencies in archiving, but only 38% believe they will be able to hit that target. Furthermore, 75% of respondents need to enable compliance, but only 43% believe they will. Almost 70% of IT and

Goals: Importance vs. Confidence Archive Solutions Can Help



Q2. How important are the following goals with respect to archive at your organization?
Q7. How confident are you that your organization's current archive solution(s) can help you succeed in these areas over the next 12 months?

Base: 100 qualified respondents

[1] "By 2020, there will be 5,200 GB of data for every person on Earth" http://www.computerworld.com/article/2493701/data-center/by-2020--there-will-be-5-200-gb-of-data-for-every-person-on-earth.html

business managers need to reduce archiving complexity, yet just over a third (32%) anticipate they will.

Growing Archiving Needs Fueled by Compliance Management Complexity

Data management is not something relegated to IT teams-only anymore. Data has to be at the ready for use in context. Audit, legal, risk management, and information technology teams all need data ready for compliance and eDiscovery reporting. Nearly 75% of IDG survey respondents revealed enabling compliance to be 'critically important' (34%) or 'very important' (40%). Only 18% of IT and business mangers surveyed found enabling compliance to be 'somewhat important.'

Compliance management is a complex endeavor. It is especially complicated for large, multinational organizations which must comply with local or regional laws, industry standards, and regulations. Whether financial in nature, such as standards from FINRA (Financial Industry Regulatory Authority) or PCI (Payment Card Industry), or healthcare laws, such as HIPAA (Health Insurance Portability and Accountability Act) and HITECH (Health Information Technology for Economic and Clinical Health) act, or the privacy protections under the FOIA (Freedom of Information Act), Federal guidelines and industry standards/regulations are a real business obligation[2]. The EU, Brazil, and other countries also have some of the most stringent privacy and data sovereignty laws.

Majority of IT and Business Managers Polled Find Archiving is Not Fit for Compliance

Now put compliance in archiving terms. Here is one of the most striking data points about compliance and archiving: Only 9% of respondents are 'extremely confident' that their current archive solutions can help them achieve their most important compliance goals.

Let that sink in.

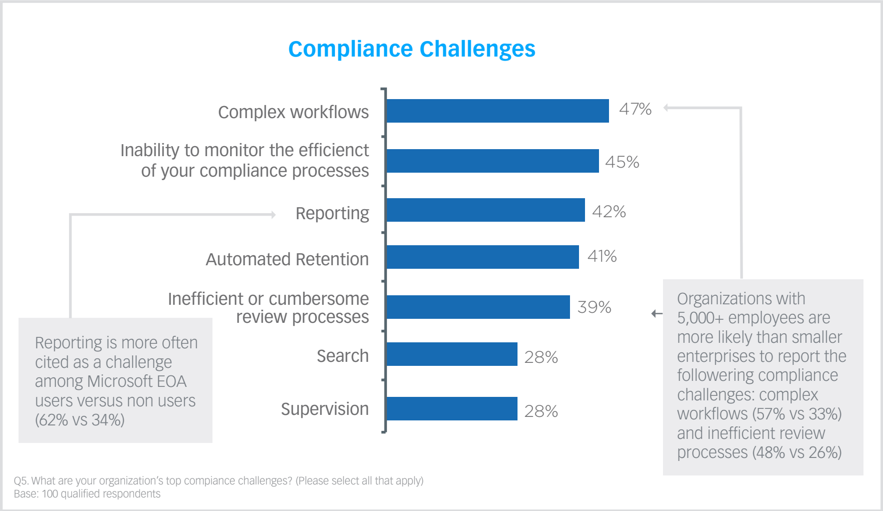
Despite major awareness of the importance of compliance, the overwhelming majority (93%) of respondents do not believe their archiving is fit for compliance. Why? Because most compliance management solutions are limited or are missing key functions to meet today's requirements. Problems cited include: serious process gaps, complex workflows, the inability to monitor compliance efficiency, reporting, automated retention, and other issues.

eDiscovery in Focus for Legal Teams

For eDiscovery, analytics and reporting is the most significant pain point. Nearly 40% report challenges related to search, legal hold, and streamlining reviews. Organizations with 5,000+ employees are more likely than smaller enterprises to be challenged by eDiscovery analytics and reporting (62% vs. 44%) as are Microsoft EOA users versus non users (74% vs. 43%).

Regulations can be costly if not managed well. They require a technology strategy aimed toward proving a company made strong efforts to comply. It also requires paying close attention to how governing bodies interpret and evolve their findings. In the U.S., for example, the Federal Trade Commission has been refreshing its data security purview on companies beyond its traditional one in banking. Hotel chains, large retailers, medical labs, and nearly any company that uses personally identifiable information on consumers and patients—and any company targeted in a data breach—is now susceptible to greater oversight and management accountability.

After major data breaches from hotel chain Wyndham Worldwide in 2008 and 2009 that resulted in $10.6 million in fraudulent charges, the FTC increased its oversight requiring annual assessments



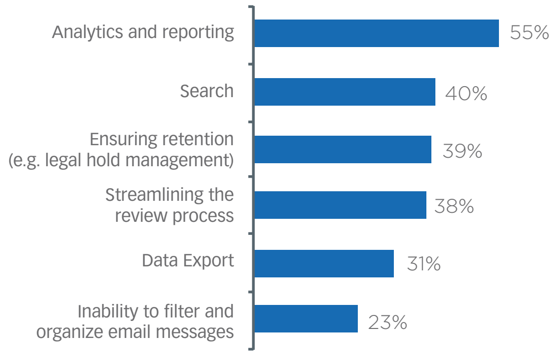
Reporting is more often cited as a challenge among Microsoft EOA users versus non users (62% vs 34%)

Organizations with 5,000+ employees are more likely than smaller enterprises to report the followering compliance challenges: complex workflows (57% vs 33%) and inefficient review processes (48% vs 26%)

Q5. What are your organization's top compliance challenges? (Please select all that apply)
Base: 100 qualified respondents

[2] "The security laws, regulations and guidelines directory"
http://www.csoonline.com/article/2126072/compliance/the-security-laws--regulations-and-guidelines-directory.html

eDiscovery Challenges



Q4. What are your organization's top eDiscovery challenges? (Please select all that apply.)
Base: 100 qualified respondents

and audits on the company resulting in real labor and technology costs[3]. The company attempted to argue that the FTC did not have the authority to bring charges, but Federal judges viewed it differently.

Security is a Top-of-Mind Archiving Priority

Being compliant with regulations will not necessarily make an organization secure. Major data breaches and criminal hacks of big companies and brands, such as Target, Home Depot, Sony, Experian, T-Mobile, and many others, have become too commonplace. Customer and employee data is always at the center of these events, and so, the security of archiving technology is on the hot seat. Executive boards of directors and C-level executives are taking a fresh, security-focused look at aging archive practices and insecure legacy storage technologies.

Media attention on security is ever present. In the U.S., state-by-state data breach notification laws has made the general public more aware of security events soon after they arise[4]. Increased company breach announcements can alarm shareholders, while social media reaction can project negative attention on security practices adding financial risk to companies by amplifying the call for legal action.

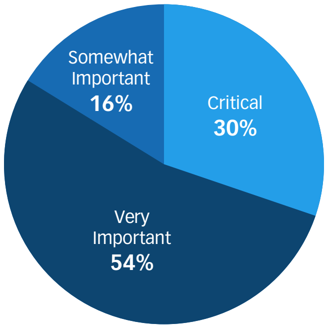
Survey data shows security is top of mind. The majority of IT and business managers surveyed find it is either very important (54%) or critical (30%) to securely store and manage unstructured data. A majority (61%) found data security is a major archive challenge, as are the growing records' retention requirements.

Nearly half of respondents found security gaps and risks to contribute to the cost and complexity of archiving (behind system maintenance/system administration (52%) and infrastructure costs (58%)). Only 16% of 100 respondents said it was 'somewhat important' to securely store and manage unstructured data for compliance, risk management, legal/eDiscovery, or other purposes.

Data Privacy Ranked Major Concern When Evaluating New Archive Solutions

When reviewing new archive technologies, data privacy is of the utmost importance, with 61% of respondents ranking it 'critical.' After privacy, sophisticated encryption for legal and compliance control ranked second as a 'critical' capability with nearly 30% interest. Organizations also consider a variety of other factors including the ability to handle expanding content types and search performance. Nearly half found reporting and analytics capabilities and the ability to handle complex content types as 'very important.'

Importance of securely storing and managing unstructured data



Q1. How important is it for your organization to have the ability to securely store and manage unstructured data for compliance, risk management, legal/eDiscovery, or other purposes?
Base: 100 qualified respondents

Enterprises Really Want to Reduce the Complexity and Cost of Archiving

Fundamentally, the bulk of traditional and legacy archiving solutions are not built for today's legal and compliance management needs. Here is where the complexity challenges exist, according to survey respondents: Lack of automation (47%); lack of visibility in a single platform (47%); legacy solutions (46%); and eDiscovery (45%). Several key factors are contributing to the cost and complexity of archive today including infrastructure costs, system maintenance, and addressing security gaps.

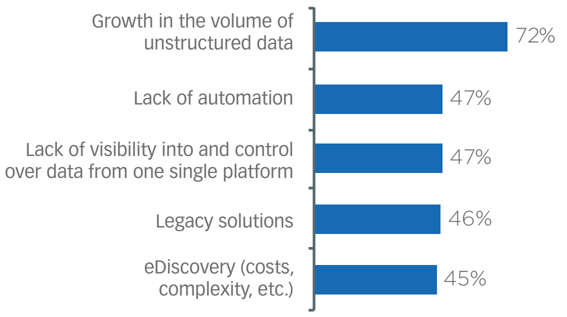
Microsoft EOA in the Crosshairs

More than one third of respondents use or plan to use Microsoft Exchange Online Archiving (with 22% using MS

[3] "Wyndham settlement: No fine, but more power to the FTC"
http://www.csoonline.com/article/3017973/security/wyndham-settlement-no-fine-but-more-power-to-the-ftc.html

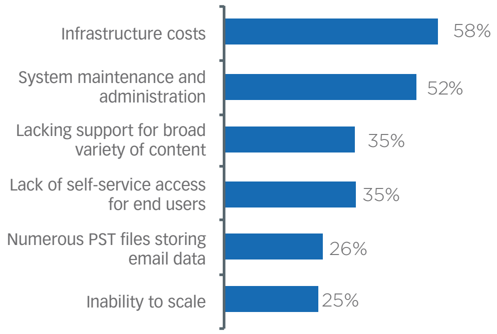
[4] Security Breach Notification Laws
http://www.ncsl.org/research/telecommunications-and-information-technology/security-breach-notification-laws.aspx

Archive Challenges



Q3. What are you organization's challenges with respect to archive? (Please select all that apply.)
Base: 100 qualified respondents

Contribute to Cost and complexity of Archive



Q6. Which of the following contribute to the cost and complexity of archive at your organization? (Please select all that apply.)
Base: 100 qualified respondents

EOA exclusively). While many of those surveyed do not currently use MS EOA, there is strong familiarity with the archiving challenges of the solution. Respondents most often cite issues with Microsoft's solution in the following terms: It has limited eDiscovery workflow; it cannot protect altered or deleted messages; and it lacks WORM (Write Once Read Many) storage and supervision capabilities. Respondents also noted how the product is not geared toward legal, audit, and compliance needs and is difficult to export data.

Proofpoint's Enterprise Archive is Purpose Built for Compliance, Legal, and Data Security

At Proofpoint, we understand that building a modern archiving strategy isn't easy. Legacy solutions haven't kept up with changing requirements. Proofpoint Information Archiving is a proven, next-generation archive solution that leverages cloud intelligence for deep insight into your data to reduce cost, complexity, and risk. Proofpoint's archiving technology helps achieve complete compliance and litigation readiness in the face of today's challenges. Deemed a leader in Gartner's Enterprise Information Archiving Magic Quadrant for the past 4 years, Proofpoint leverages cloud intelligence to preserve, discover, and supervise business critical information.

It works across a broad collection of electronically stored information (ESI) sources including email, enterprise collaboration data, and social-media data.. It is a next generation archiving solution that addresses three fundamental challenges—improving legal discovery, easing regulatory compliance, and reducing the cost and complexity—without the headaches of managing archiving in-house. It provides scalable cloud architecture, guaranteed search performance, unmatched customer satisfaction and the industry's most sophisticated encryption for complete legal and compliance control.

Conclusion

CIOs, information technology managers, and other business managers who are assessing solutions to all of their risk management, compliance, and legal eDiscovery needs can meet these with strong archiving technology. Learn more about Enterprise Archive from **Proofpoint**.

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