

# Beware the bubble

**Don't wait for the 'Sync 'n Share' bubble to burst advises Geraldine Osman**

Do you know how many of your employees are using public cloud 'sync and share' services? Despite many IT leaders' best intentions, they remain a popular way to share and collaborate within the enterprise. Yet the truth is that these services are not only bad for your business but are failing commercially. So what happens if or when they start to disappear, taking your corporate data with them? Do you have an exit strategy?

## Papering over the cracks

Watch the glossy marketing campaigns promoted by these public cloud file share providers and you'd be forgiven for thinking that business is booming. The likes of Dropbox, Amazon Cloud Drive, Box, Microsoft OneDrive and others all talk a good game. And they're certainly popular in the enterprise, amongst staff looking to circumvent inflexible, non-user friendly corporate storage systems. But they represent just 1% of the total income of the enterprise storage market.

Annual revenue of \$500 million might sound like a lot on paper but it pales in comparison with the \$50 billion made every year by hardware giants like EMC, NetApp and HP. The problem is that most users of these cloud services – around 97% in fact – don't actually pay, turning the whole industry into a financial black hole for the providers. What's more, while traditional enterprise storage continues to grow at around 10% annually, the cloud players show little signs of making the gains they so desperately need to recoup their massive investments.

A recent regulatory filing by Box showing losses of \$168m on just \$124m in revenue highlights the unpalatable truth: these services cost more to run than they make. Even cloud giant Amazon has lost an estimated \$2bn over the last four quarters, according to analyst Canalis.

Although many of these cloud-based file sync and share services are bank-rolled by large technology firms, what happens when the board finally says 'enough is enough' and pulls the plug on their loss-making divisions?



What happens to all that corporate data residing on servers outside the company? Do you have a back-up plan?

## Heads in the sand

A new study commissioned by Connected Data finds that 19% of UK IT leaders have no idea how quickly they could get their data back or migrate it to another provider in such an event. This is particularly worrying considering that even a day or two without mission critical data could have a serious knock-on effect on an organisation. What's more, a quarter (26%) say they don't know how much that process would cost them, although 18% suspect the figure would be over £25,000.

It's not just the costs and operational impact at stake, but also the potential repercussions on compliance. More than one in ten (12%) respondents claim they don't even know where their public cloud provider stores their data. Failing to meet such requirements could lead to strict penalties and reputational damage.

These figures, of course, wouldn't be so worrying if very little corporate data ended up being stored on public cloud-based file share platforms. But it is. Hundreds of millions of corporate users globally set up accounts, either unaware of, or in deliberate defiance of, official IT departments. A recent study by Connected Data revealed that 69% of IT leaders believe their staff are using such services regardless of policy.

It's an obvious reaction to what are often seen by users as monolithic, unintuitive enterprise storage systems. So what's to be done?

## Plan for the future

First, IT leaders need to accept the need

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for employees to share and collaborate. It's one of the key enablers of a productive, efficient and agile workforce. Then it's all about finding alternative file sync and share systems that can support these new ways of working – tiering the approach according to what data needs to be shared and what needs to be stored. These systems should combine the best features of cloud services – flexibility and intuitive UIs – with the control and security of in-house systems.

In short, you're looking for a private cloud service which can save costs by sitting on top of existing in-house infrastructure, but offer options such as file sharing via links, mobile device support and file synchronisation. With 100% data privacy guaranteed and complete IT department oversight, there's simply no exit strategy required.

*Geraldine Osman is VP International Marketing at Connected Data, the creator of Transporter, the world's first peer-to-peer private storage appliance. Transporter allows customers to privately share and protect data at a fraction of the cost of fee-based cloud services. The Connected Data team consists of the same professionals responsible for the Drobo storage array and the creation of the high performance BlueArc Silicon Server.*

[www.connecteddata.com](http://www.connecteddata.com)

## Dat's the way to do it

**Concerned about the security risks of staff and students using personal cloud-based storage to store and share sensitive data, The University of Liverpool is offering a secure, productive alternative in the form of an enterprise file sync and share solution from Varonis Systems.**

It has also introduced a policy stating that 'confidential documents are not to be stored on other platforms.'

University of Liverpool systems manager Andy Williams said: "We faced the challenge of users moving data online to file sharing services. In addition to the data being vulnerable off-site, concerns of document version control needed to be addressed, plus the complication that when people leave the university, it is virtually impossible to retain or even revoke access to data stored in uncontrolled repositories."

Varonis DatAnywhere gives 32,000 students and 4,700 staff the flexibility to sync University file-share data across all of their devices and share files securely with external collaborators.

Users can access file storage, including personal (home folders) and shared departmental drives, from different locations and devices, such as mobiles, tablets and computers, with the definitive file copy always residing on the university's file shares.

Just one week after implementation, 1,366 faculty members and students had signed up to secure cloud-based sharing with DatAnywhere. [www.varonis.com](http://www.varonis.com)