

2017

The Hanzo Annual Report

THE STATE OF ENTERPRISE COLLABORATION

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The background of the entire page is a composite image of space. The top half shows a dark, star-filled sky with a faint orange and yellow glow on the left side, suggesting a sun or star. The bottom half shows a detailed view of Earth from space, with blue oceans, white clouds, and brownish-yellow landmasses. A green horizontal band is overlaid across the middle of the image, containing the report's title and year.

Annual Report

THE STATE OF ENTERPRISE COLLABORATION

2017



Introduction.

Out with the old, and in with the new.

Collaborative platforms allow employees of the evolving digital workspace to work together without being in the same location. These tools also function as a go-to resource for documents, a company directory and a log of conversations. As new platforms arrive and offer more features like video calling, endless integrations and more, it's easy to assume that older legacy platforms will be phased out of internal collaborative communication. On the contrary, platforms like Microsoft's Sharepoint and Atlassian's Confluence have continued to thrive, even as Millennials take the places of aging baby boomers.

We surveyed Global 2000 senior executives in eDiscovery, Risk and Compliance about the platforms they use, as well as their concerns surrounding those tools. In a world where increasing regulations are putting businesses at risk for large fines, the amount of data contained on collaborative business tools is intimidating, to say the least. With vast amounts of unstructured data held in multiple platforms, how will business protect their assets while fostering a community of collaboration within the workplace?

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With great
collaboration
comes great
flexibility.

With Great Collaboration Comes Great Flexibility.

The demand for more flexibility in the workspace has inspired the rapid emergence of team messaging platforms. In the last decade, telecommuting positions have grown 115%. This, in combination with the Bring Your Own Device (BYOD) boom, has inspired employers to adapt technology that allows for a more flexible workplace.

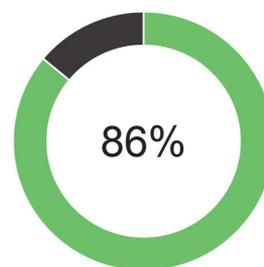
Tools like Slack have incorporated fun aspects of teamwork like animated gifs, bots and even video calling to create a relaxed, yet productive work environment. However, for larger corporations, these types of features can be viewed as distracting and a hindrance to productivity. As of 2016, 77% of the Fortune 100 used Slack for collaboration. Although the rate of growth for Slack has slowed, Slack has introduced a new enterprise platform - labelled Slack Enterprise Grid - that will cater to larger corporations, which may boost growth among the Fortune 500.

Even with the increase in modern collaborative systems, legacy platforms like Confluence have continued to hold their own in an extremely competitive space. One study found that 86% of Confluence users are utilizing the platform primarily for project management. Also, 90% of users are accessing the data directly within Confluence, as

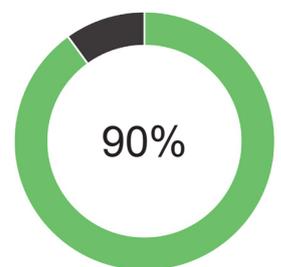
opposed to exporting to PDF or another offline format.

Technology giant Microsoft has long been a staple of workplace collaboration, and in spite of new developing platforms, Microsoft products still hold a significant share of the collaborative platform industry. In fact, in a 2016 survey of global Sharepoint users, 42% of respondents noted that they intend to increase their annual spend for Sharepoint and Microsoft platforms in the coming year. In the same survey, 64% of companies had 500 or more employees, signifying Sharepoint's continued success with larger corporations.

Atlassian Confluence



Users utilizing the platform primarily for project management



Users accessing data directly within the platform

Hanzo's The State of Enterprise Collaboration 2017 Report.

Our Methods.

Hanzo conducted a detailed survey of over 500 Senior Executives across eDiscovery, Risk and Compliance over the course of 2017 to identify trends within Enterprise collaboration growth, with a particular focus on how these executives are moving from reactive eDiscovery (Corporate Litigation, IP Protection) to proactive and dynamic eDiscovery (risk assessments, GDPR, supply chain analytics).

- Roles surveyed included Chief Compliance Officers, Chief Privacy Officers, Chief Legal Counsel, Head of Risk Management, Chief Marketing Officers and Heads of Human Resources.
- A blind set of questions were asked around preferred collaborative platform use, growth in specific types of platforms, and main drivers for the collection and analysis of legally defensible content
- The surveys took place from January through July of 2017
- The survey results were anonymized.

The Results.

28%

Microsoft Sharepoint

Still the platform of choice for document sharing and team collaboration.

Our survey found that among Global 2000 senior executives, Sharepoint is still the platform of choice for document sharing and team collaboration, with 30% of executives using it on a regular basis. Following Sharepoint was Slack, with 8.5% use among eDiscovery, Risk and Compliance professionals. Confluence and Yammer made up third and fourth place respectively, sharing roughly 3.5% of the market each.

We surveyed over 500 of the Global 2000 senior executives in eDiscovery, Risk and Compliance about the platforms they collect most often.

Platform	%
Sharepoint	27.9%
Google Drive	9.8%
Salesforce	9%
Slack	8.7%
JIRA	4.9%
Confluence	3.5%
Yammer	3.5%
Other	4.9%

Other includes custom-built company platforms, internal wikis and additional social collaboration platforms like Quip and HipChat.

Category	%
Collecting for Litigation (Employee, Class Action, IP Protection)	43.2%
Collecting for Compliance (Customer Journey Mapping, GDPR, SEC/FINRA Regulations)	19.2%
Collecting for Risk Management (Employee-driven social media tools BYOD, BYOS)	13.8%
Other	23.8%

The survey then polled executives on the main drivers for legally defensible collection and analysis of web and social media content. We surveyed over 500 of the Global 2000 senior executives in eDiscovery, Risk and Compliance about the main drivers for collection

Reason	%
General Litigation Collection	30.9%
Historical Preservation	12.4%
Legacy Application Retirement	10.6%
Intellectual Property Protection	6.3%
Customer Website Journey Compliance Mapping	5.8%
Employee-driven Social Media Tools	5.8%
Proactive Risk Management	5.8%
GDPR Adherence	4.7%
SEC/FINRA Driven Compliance Collection	4.7%
Other	18.8%

Other includes, additional compliance regulations, due diligence and additional web content.

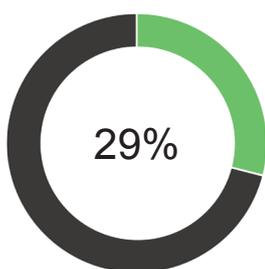


We also asked executives which departments they most often liaise with when looking to proactively collect and analyze web and social media content within the Enterprise. We surveyed over 500 of the Global 2000 senior executives in eDiscovery, Risk and Compliance about the main drivers for collection

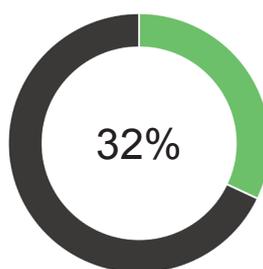
Department	%
Compliance	16.9%
Marketing	16.9%
Sales	16.9%
HR	14.8%
Development	12%
Other	22%

Other includes additional company departments and those who do not actively liaise with other departments.

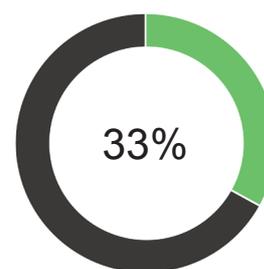
A comparison of Millennials, gen xers and baby boomers level of engagement in the workplace. Only 29% of Millennials are engaged.³



Millennials



Gen Xers



Baby Boomers



In 2016, the
SEC imposed
\$4 billion in
fines.⁴

What this Means.

With the vast amount of data present on the collaborative platforms that organizations are using on a daily basis, protecting and preserving this content is vital to a healthy business. When content has not been properly archived, your business is at risk for losing up to 4% of your global annual revenue for non-compliance with GDPR. Failure to comply with other regulations like FINRA and SEC can cause slightly less costly, but just as painful.

It's easy to subscribe to the "it won't happen to me" mindset, but in 2016 alone, FINRA imposed \$176.3 million in fines for a total of 1,434 disciplinary actions. In the same year, the SEC issued \$4 billion while bringing a record 548 independent enforcement actions. It was also a record whistleblower year for the SEC - they distributed \$57 million in whistleblower money, signifying a rise in tips reported to the organization.

All things considered, GDPR has the potential to be one of the most costly regulations to date. Between the lack of understanding surrounding exactly which businesses are required to comply and what data is protected under the regulation, companies are more at risk than ever of paying hefty fines for non-compliance. In spite of the rapidly approaching May 2018 deadline, many companies still do not

have the proper policies and processes in place to meet the requirements.

Collaborative platforms are often overlooked during compliance assessments. While this oversight may not have cost your business in previous years, GDPR protects all data of EU citizens, whether it's hosted in your company's billing software or in a Slack channel discussing customer accounts. This means that a business can be found in noncompliance simply for not presenting customer PII that is located on your internal communication systems, and not just forward-facing platforms.

How does a company address sheer volume of data present throughout their systems? It's important to start the approach by properly preserving all platforms in use. Naturally, preservation software varies, and not all platforms can address the needs of companies that use several different tools to communicate. By choosing an archiving software that can preserve websites, collaboration tools like Slack, Confluence and others, while producing a searchable result, you'll set your business up for success when GDPR goes into effect in 2018.

4%

Future Predictions.

Keep up, or move out of the way.

Collaborative platforms aren't going anywhere. In fact, we predict just the opposite - team messaging will continue to take its place as an indispensable player in the workplace. While new platforms continue to emerge, classics like Microsoft and Atlassian based products have steadily held their place as office staples, but as new platforms continue to emerge, any delay in adaptability could cause the rising millennial workforce to cast them aside. Millennials have a high rate of adoption for new products, and as a result, they require technology that moves as quickly as they do.

This high rate of adoption will only continue to increase as the digitally-raised Millennials take over the workforce in the next 10 years. The generation below, Generation Z, is arguably even more technology-savvy than the millennial generation, having never known a world without personal computers and smartphones. With this changing mindset comes a shift in workplace protocol. Up to 70% Millennials report spending an additional 20 hours a week working outside from the office, and therefore require technology to allow them to do so.

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As a result, we expect to see more incorporation of modern collaborative platforms, coupled with a continuing decline in email usage. As companies like Slack have proven, the move towards an all-in-one platform for instant messaging, phone and video calling, document sharing and other important features is imminent. With the continued introduction of wearable technology and VR/AR into the workplace, one can only predict that future collaborative platforms will include practical integration with these types of devices. We also expect a continuation of helpful AI-based assistance platforms to automate everyday processes.

The high rate of adoption will only continue to **increase** as digitally-raised Millennials enter the workforce.

Checklist.

Effective information governance and legally defensible archiving strategy for Enterprise Web and Social Media Collaboration platforms

1. Analyze and map out all web and social media content platforms used within your company
2. Identify company websites and platforms that are no longer in use but where you are required to keep a legally defensible copy
3. Incorporate technology that produces legally defensible captures
4. Automate the capture all company web and social content
5. Create a plan of adaptability for future collaborative platforms
6. Maintain a searchable database of employee content
7. Build a response plan for potential data breaches
8. Work with your legal counsel to determine the most practical export formats
9. Establish a legally defensible data deletion process
10. Explore options to utilize AI-based technology to increase efficiency





Insight from the Experts.

**Collaboration is changing, and we sat
down with those at the forefront.**

The anticipated continued growth of digital collaboration in the workplace, combined with the risk that improper management of the data within these platforms brings, proves that proactivity is of the utmost importance. As businesses move towards newer platforms, the vast amount of data present in legacy applications is often neglected. This can lead to a myriad of compliance issues for companies, even more so after GDPR goes into effect. In order to have a comprehensive understanding of the data present in all of your company's platforms, both new and old, implementing an archiving system is the most efficient and cost-effective solution.



¹ K15t. Five Insights: Confluence for Content Collaboration (2015 Nov 15). Retrieved from <https://www.k15t.com/blog/2015/11/five-insights-confluence-for-content-collaboration>

² Sharegate. Retrieved from <https://en.share-gate.com/global-sharepoint-industry-study>

³ Gallup. Few Millennials Are Engaged at Work (2016 Aug 30). Retrieved from <http://www.gallup.com/businessjournal/195209/few-millennials-engaged-work.aspx>

⁴SEC Announces Enforcement Results for FY 2016 (2016 Oct 11). <https://www.sec.gov/news/pressrelease/2016-212.html>



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