

3 Benefits of Shadow IT and How to Harness Them

A WHITEPAPER BY

[deft]

What is Shadow IT?

It helps to first define shadow IT, sometimes known as dark IT. Most would start with a rundown of the network security risks it presents, but a more helpful shadow IT definition would explain it as something that's already happening in your organization.

Any time your employees download a new app or sign up for a service that your IT team hasn't vetted, that's a shadow IT application. Once you start naming the usual shadow IT examples — Google Drive, Mailchimp, WhatsApp, Line, Dropbox — you realize how common it actually is.

These shadow technologies are mostly harmless on their own. It's when they connect with your business systems that the real data and security risks arise. You may be following all of the IT operations best practices, but the second an employee gives

a productivity app access to their email account, you're at risk. All of the sudden, the address book for the entire organization is floating in a public cloud, without the necessary security protocols to keep it safe. For businesses subject to regulatory compliance, like healthcare and banking, the security risks associated with shadow IT can quickly put a company at odds with compliance standards.

If this all sounds like an information technology nightmare, well, it can be. With the proper process improvements and security technologies, though, it's also the single biggest opportunity your business has to innovate.

3 Benefits of Shadow IT - and How to Harness Them

Right now, shadow IT is little more than a risk too many business are taking. Motivated employees are looking to get an edge by controlling their own cloud-based tools — and they're subverting IT systems and processes to do it. As shadow applications proliferate, they'll open your business up to all kinds of unauthorized data sharing.

Shadow IT can also open your business up to incredible opportunities for innovation.

According to Gartner, decentralizing IT and allowing individuals and teams to purchase their own IT resources can reduce time to market by up to two years.

Given the speed at which markets change, that's two years your business can't afford to waste.

A shadow IT policy that allows employees to experiment with new tools while mitigating shadow IT risks is a competitive advantage. You'll not just beat peers to market — you'll engage your employees and train them to innovate with cloud technologies.

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“You may be following your IT operations’ best practices, but the minute an employee gives an app access to their email account, you’re at risk. The address book for the entire organization is now public without the necessary security protocols to keep it safe.”

Thomas Johnson

CISO of Deft

Most companies are aware that there’s a shadow application or two making their way past the IT infrastructure. The problem is that they underestimate that number by **a factor of 15 to 22**, according to [Cisco’s Shadow IT report](#).

Shadow IT statistics like this make it impossible to brush away shadow IT security as a small problem not worth worrying about. Cisco’s survey found that, on average, CIOs estimated that they had 51 cloud services running in their organization. **The actual number was 730**. That 14x underestimation is full of business risks, including cyber threats and spiraling costs. It’s also the key to making innovation the driving focus of your business.

Once you know that you’re looking for something much larger than expected, it can be relatively easy to tally up shadow IT costs.

A shadow IT discovery process and infrastructure audit will tell you how big the risks actually are. Then you can begin to look at the business opportunities these deployments offer.

[Gartner’s Shadow IT report](#) pegs shadow information systems at an all-time low, with 83

percent of enterprises’ total technology spending under IT management. By 2020, Gartner expects that control to slip to 50 percent — not as an oversight, but as a systemic push to let business units find the IT resources that are right for them.

In 10 years, based upon our own research of customer trends, Deft projects that **90 percent of IT spending will take place outside of the IT organization**.

“Coming to terms with business unit IT is mandatory for digital business success. A business unit IT strategy should be a priority.”

Kurt Potter

VP and Distinguished Analyst of Gartner



Does shadow technology make employees more productive? Not necessarily. However, perception is reality. If you believe something will make you more productive, it probably will. That's one reason why decentralizing IT shaves two years off your time to market — people can try any tool they think will work.

2 years

Decentralizing IT can reduce time to market by two years, per [Gartner](#)

The business value of shadow information technology

It's not just about working faster, though.

Shadow IT helps employees work smarter as well. Embracing shadow IT cloud applications will give you better, more engaged employees. Here are three reasons why your business depends on a forward thinking approach to shadow IT:

No. 1: Business agility and innovation depend on shadow IT

Innovation is rarely planned. You can't say, "I'm going to innovate at 3:00 in the afternoon on Tuesdays," and expect results. What's much more common is that an employee or customer identifies a particular need, then drags the organization in the direction of innovation. That's how shadow IT works. An enterprising individual inside these organizations hears about a faster way and decides to just go for it and spin up what the company needs.

All of the sudden it's done, and it's done way faster than anyone can get anything provisioned. The tool is running before the raw resources would have been approved by the IT department. There may be questions about the application security, but it's hard to tell people not to

find the quickest, cheapest, best solution. In some cases, employees have saved millions of dollars by being smart and aggressive.

IT is further sidelined because finding one tool set that works universally is no longer realistic. Each team has different objectives and different processes. Ultimately, employees are going to be the most proactive about finding ways to hit their goals, because they're being compensated to do so. The plethora of software options available means IT just can't keep up with the best tools for every project. That's where shadow IT unquestionably shows benefits, because it allows employees to identify products their IT teams are not likely to find on their own.

No. 2: Shadow software solutions introduce employees to cloud computing

"If I had a dollar for every IT person who said 'We don't use cloud but we love Salesforce.'"

Jim Reavis

CEO of the Cloud Security Alliance in CIO

It's hard for average employees to wrap their heads around the cloud. Anything you can't physically see is always hard to understand. So when a company is ready for a move to public clouds, it can sometimes be hard to get certain business units on board.

Drawing the line from shadow IT to cloud computing lets

you focus the conversation on the applications everyone already loves. Cloud providers make it so much easier — and cheaper — than it's ever been to create your own

business systems. Often the process is so simple employees don't realize they're provisioning technology. Helping them understand how the cloud supports their favorite tools will help you get the buy-in you need to build an effective cloud infrastructure. Shadow IT is already happening — so use it as an opportunity to get everyone comfortable with cloud transitions.

No. 3: Shadow IT resources engage your employees

“Business units want to control what makes them successful.”

Kurt Potter

VP and Distinguished Analyst of Gartner

“Ask for forgiveness, not permission.” At this point it’s the motto of the motivated employee. You can’t punish an employee for taking the initiative to go find a solution. People want to work with tools that are going to further their career. If you’re telling them they can only use outdated tools, they’re not going to choose to stay at your company and fall behind in the industry. Anyone who can get a new job, will.

That’s doubly true for your developers, because they can always get new jobs. You can’t tell them they’ve done outstanding work, they’ve solved problems that haven’t been solved before at a speed that’s never been seen, and now they must stop. If you do, they’re gone. The biggest risk to a developer is using outdated tools and frame-

works that don’t keep their skills current and sharp. They need to work with the latest and greatest to remain employable.

If you need an example of how employees can come to love shadow IT tools, look no further than Slack. The chat client’s entire marketing strategy is to come in on one business unit, then expand across an entire organization. In Deft’s own office, we tried several chat tools before one employee started testing Slack. Within a week, we had company-wide adoption. Today Slack is yet another shadow IT resource employees now consider de rigeur, just like WhatsApp and Google Docs. Some companies even list it in their job postings as a benefit — further proving how critical the right tools are to attracting and retaining talent.

Harnessing the business value of shadow IT – and getting the security testing you need

A team of engaged employees using the latest technologies to innovate and ultimately get you to market quicker? That's too much upside to ignore. The trick to getting there is finding the security solutions that will allow you to bring shadow IT into the light.

Employees (and most bosses) avoid IT because they see them as the department of "No." The way to support server security and innovation is to turn IT into the department of "Yes, and." That's, "Yes, and here's how we can make it more secure." "Yes, and here's another tool we can pair with this one to make it even better." "Yes, and the marketing department already has a contract for this SaaS product, so we can get it for you at an even better rate."

When IT departments switch from finding and vetting solutions to orchestrating the solutions employees ask for, people will turn to them for help making their tools even better. The secret-keeping will stop, and when it does, IT can work to make the security risks fall away as well. Your company will have all the most innovative tools, and all of them operating under the necessary security protocols. That's the future of IT, and that's your competitive advantage.

Let us [help you](#) take the first steps.

Additional Questions

For more information, visit www.deft.com or contact us at (312) 829-1111 and sales@deft.com

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The Deft team humanizes technology. We actively listen to our clients, learning and collaborating to develop tailored proposals that perfectly fit your company's needs.

We then design, build, operate, secure, and scale unique technology solutions with a singular purpose: to deftly deliver on the promise of technology for you and your customers.

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