WHITEPAPER

The State of Data Protection

Modernizing Data Protection for State & Local Government Agencies

August 2023

netskope

Executive Summary

State and local governments confront a multitude of challenges on their IT modernization journey.

- Hybrid and remote work is here to stay. Remote workers have a high standard for app performance and security and expect the same experience regardless of where they log on.

- The sheer complexity and scale of legacy systems that have been in place for years can make it difficult to integrate new technologies smoothly, and budgetary constraints often limit the resources available for modernization efforts, forcing governments to prioritize projects and make tough decisions about where to invest.

- Protecting sensitive data and infrastructure against evolving cyber threats is becoming ever more challenging, particularly as agencies move to remote and hybrid work.

- With the ongoing shift to cloud applications, organizations lose visibility and control over applications and data the more they rely on legacy technologies to identify those apps and govern access to that data.

Modernization can be a buzzword, but at its core it simply means having the tools at the ready for better understanding, analysis, and protection of the data your agency owns. As the workforce expands to homes and coffee shops and offices, so too does the attack surface. This puts agencies at risk of data exfiltration, ransomware, or even the shut down of essential services. It is more critical than ever to rethink how and where security is implemented.

As state and local agencies decide how best to protect their data, what are their concerns, and where are they looking? Netskope partnered with Market Connections to:

- Assess current concerns and considerations facing data protection in the state and local IT sphere.

- Determine the status and obstacles facing modernization strategies, particularly in a hybrid work setting.

- Understand how external tools and internal policies can work together to find the right balance of access and security.

The following report presents the findings and explores what those findings mean going forward.

Harnessing the Data

Getting a handle on your data means starting with the basics – where does the data reside, and who has access to it, and at what levels is that access?

For most, these are harder questions than they appear. Seventy-nine percent of respondents face challenges in tracking their data locations across their agency. Over half can't see all traffic across all applications being used in their system (52%) and 51% don't have a complete view of all data across silos.

Hybrid environments add complexity to this already-limited visibility. Forty-five percent of respondents say lack of visibility across their hybrid environments is challenging. Disparate data sources across servers and siloes also pose challenges to 40% of respondents.

Without understanding where the data is being gathered, where it resides, and when it's being transferred, decision-makers might not have the full picture of how data moves throughout their technology environment. Without this full picture, it is difficult to invest in the right solution that will address any gaps or vulnerabilities.

FACE CHALLENGES IN TRACKING DATA LOCATIONS ACROSS THEIR AGENCY — 79%

CAN'T SEE ALL TRAFFIC ACROSS ALL APPLICATIONS BEING USED IN THEIR SYSTEM — 52%

DON'T HAVE A COMPLETE VIEW OF ALL DATA ACROSS SILOS — 51%

SAY LACK OF VISIBILITY ACROSS THEIR HYBRID ENVIRONMENTS IS CHALLENGING — 45%

SAY DISPARATE DATA SOURCES ACROSS SERVERS AND SILOES POSE CHALLENGES — 40%
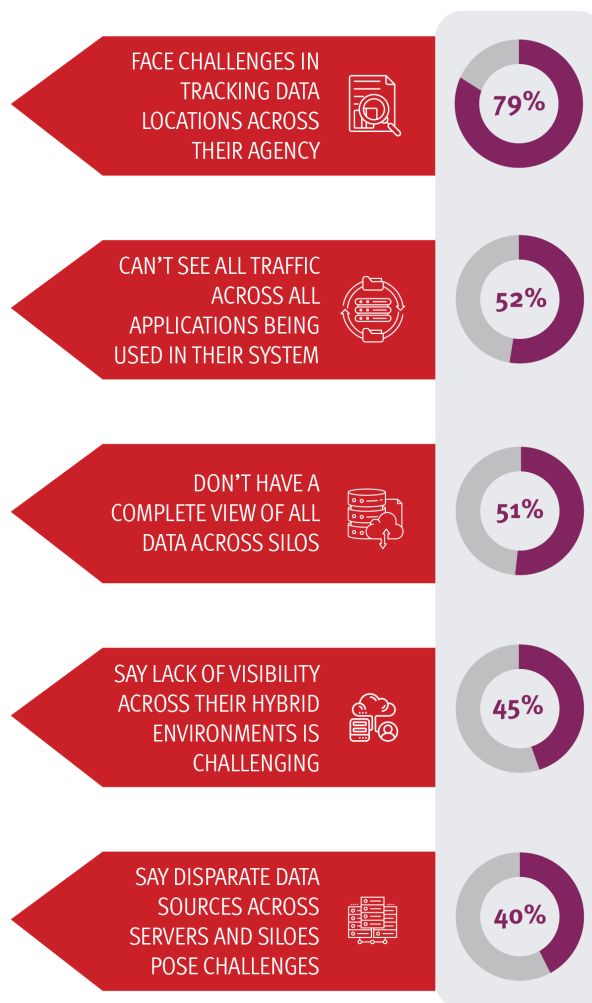
© 2023 Market Connections, Inc

Protecting the Data

Given the amount and sensitivity of data that state and local agencies collect, as well as the rise of sophisticated hackers, agencies are facing an increasingly complex landscape of threats. Ransomware and other cyber attacks have grown exponentially, with both financial consequences and potential interruption to necessary services, like 911 call centers and hospitals. Nearly nine in ten respondents are feeling challenged by the evolving threat landscape, and 79% worry that cyberattacks or data breaches pose risks to their IT modernization efforts. The top priorities for IT decision makers are vulnerability management (61%), along with data protection (50%), and security event and incident management (44%).

Remote work has increased the attack surface. Between potentially insecure connections and personal devices, 80% of respondents find that protecting data accessed remotely is a big challenge for their organization. Another seventy-four percent report feeling challenged by enabling secure access without compromising performance in a hybrid environment.

Ensuring visibility is key to addressing some of these challenges. Visibility allows organizations to have a clear understanding of their data landscape, including where it resides, how it flows, and who has access to it. This is vital for implementing security measures, enable early detection of breaches, and provide a trail in the case of an investigation. However, over three fourths of respondents find it challenging to track data spread over multiple siloes (78%) and who has accessed that data (76%).

These are troubling statistics. Without a clear understanding of where the data is and who has access to it at which points of interaction, how will agencies know when it's been compromised?
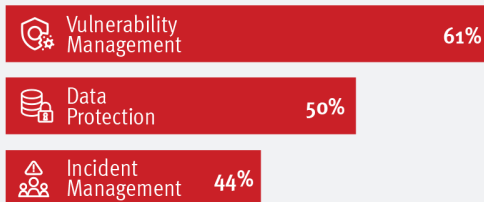
9 in 10 FEEL CHALLENGED BY THE EVOLVING THREAT LANDSCAPE
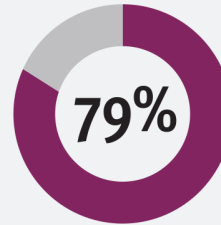
79% WORRY THAT CYBERATTACKS / DATA BREACHES POSE RISKS TO IT MODERNIZATION EFFORTS

Top Priorities: IT Decision Makers

Vulnerability Management	61%
Data Protection	50%
Incident Management	44%

© 2023 Market Connections, Inc

Moving to the Cloud

The future is the cloud. Three years from now, agencies see themselves moving away from on-premise data center environments – 89% at the current level to 52% in three years. Similarly, agencies see themselves moving away from hybrid cloud, from 78% at current rates to 59% in three years. Fifty-eight percent are looking to replace their legacy applications with cloud services.

With more workloads moving to the cloud, traditional methods of data protection may not be enough. Currently, 87% of respondents back up data to protect it, 79% use firewalls and network security measures, and 78% keep software and systems current with the latest patches. While all important steps, these are largely solutions that react to potential threats. Proactive protection is part of a modern understanding of both data and the people who use it. Security has to be able to follow data wherever it moves, and increase overall availability and data accessibility for users, all without damaging network performance.

"Security has to be able to follow data wherever it moves."

Strengthening the Workforce

Investing in tools is important, but they are only as strong as the people and policies that use them. Respondents currently face internal personnel challenges, including a lack of internal staff expertise (63%). Trainings play a big part in developing a workforce that understands how to protect its data. Sixty-one percent of respondents provide regular security training for their personnel; 57% implement strong security policies and practices; and 38% provide specific remote-work training. Overall, 59% of respondents say they are providing their employees with the training they need. This is good and productive, but it also means that 41% of respondents don't think their employees are getting enough training. In an environment where human error can compromise personally identifiable information of thousands of residents, this is problematic.

63% FACE INTERNAL PERSONNEL CHALLENGES, INCLUDING A LACK OF INTERNAL STAFF EXPERTISE

Provide regular security training
61%

Implement strong security policies and practices
58%

Provide specific remote-work training
38%

59% OVERALL RESPONDENTS SAY THEY ARE PROVIDING THEIR EMPLOYEES WITH THE TRAINING THEY NEED
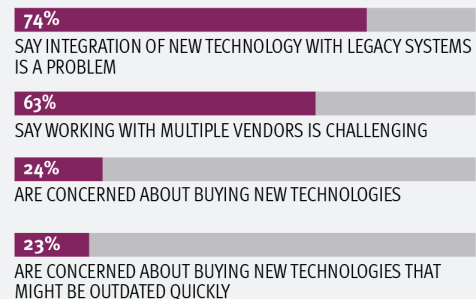
© 2023 Market Connections, Inc

Making the Right Choice

Balancing legacy systems, a hybrid work environment, and budget constraints (44% of respondents find this to be the biggest barrier) while trying to find the right solution can be challenging for IT decision-makers. The majority (65%) are actively investing in technology solutions that support their organization's needs, but they face challenges. Integration of new technology with legacy systems is a problem for three quarters (74%) of respondents, and there is concern about buying new technologies (24%) or technologies that might be outdated quickly (23%). Working with multiple vendors can also be challenging for 63% of respondents – a third are working on selecting only one vendor for help, rather than multiple, to prioritize a simplified and integrated approach.

WHEN FINDING THE RIGHT SOLUTION

44%

Say balancing legacy systems, a hybrid work environment, and budget constraints can be challenging

74%
SAY INTEGRATION OF NEW TECHNOLOGY WITH LEGACY SYSTEMS IS A PROBLEM

63%
SAY WORKING WITH MULTIPLE VENDORS IS CHALLENGING

24%
ARE CONCERNED ABOUT BUYING NEW TECHNOLOGIES

23%
ARE CONCERNED ABOUT BUYING NEW TECHNOLOGIES THAT MIGHT BE OUTDATED QUICKLY

© 2023 Market Connections, Inc

What IT Decision-Makers Can Do

To make the transition to cloud easier and more secure, there are three steps agencies can take:

1. DISCERN:
Agencies have to be more judicious than ever in their spending. Choose the solution that will make the most sense for your hybrid workforce, balancing budget needs with security priorities.

2. INVEST:
Modern security problems require modern security solutions. Invest in tools that will give you the visibility, agility, and control that your team needs, no matter where they are. Modern data protection tools are context-aware, meaning they can apply zero trust principles to both allow and prevent data access based on a deep understanding of who the user is, what they are trying to do, and why they are trying to do it. Modern data protection tools also simplify deployment with architectures that maximize asset utilization to improve security efficacy and minimize cost. Overall, this data-centric approach is the only effective way to manage risk across a mix of third-party applications and a remote-heavy workforce that needs always-on access to cloud apps and data to stay productive.

3. SUPPORT:
Ensure that staff have the training and compatible and secure tools and devices they need, along with prioritizing development of a robust IT modernization strategy.

By following these steps, a modern security solution will

| REDUCE THE LIKELIHOOD THAT A RANSOMWARE OR CYBERATTACK WILL SUCCEED | PROVIDE YOU MORE INSIGHT INTO WHERE YOUR DATA LIVES AND HOW IT IS USED | BUILD A ROBUST DATA POOL FROM WHICH ARTIFICIAL INTELLIGENCE OR MACHINE LEARNING TECHNOLOGIES CAN DRAW TO DRIVE YOUR | IMPROVE THE QUALITY OF SERVICES OFFERED TO THE PUBLIC | STRENGTHEN PUBLIC TRUST IN STATE AND LOCAL AGENCY STEWARDSHIP OF SENSITIVE INFORMATION |

© 2023 Market Connections, Inc

ABOUT THE STUDY

Market Connections and Netskope partnered to design an online survey of 200 state and local IT and business influencers and decision-makers regarding data protection through IT modernization. The survey was fielded in the first half of 2023.

ABOUT NETSKOPE

Netskope, a global SASE leader, helps organizations apply zero trust principles and AI/ML innovations to protect data and defend against cyber threats. Fast and easy to use, the Netskope platform provides optimized access and real-time security for people, devices, and data anywhere they go. Netskope helps customers reduce risk, accelerate performance, and get unrivaled visibility into any cloud, web, and private application activity. Thousands of customers trust Netskope and its powerful NewEdge network to address evolving threats, new risks, technology shifts, organizational and network changes, and new regulatory requirements. Learn how Netskope helps customers be ready for anything on their SASE journey, visit netskope.com..

ABOUT MARKET CONNECTIONS

A performance platform of GovExec, Market Connections delivers actionable intelligence and insights that enable improved business performance and positioning for leading businesses, trade associations, and the public sector. The custom market research firm is a sought-after authority on preferences, perceptions, and trends among the public sector and the contractors who serve them, offering deep domain expertise in information technology and telecommunications; healthcare; and education.

For more information visit: www.marketconnectionsinc.com.