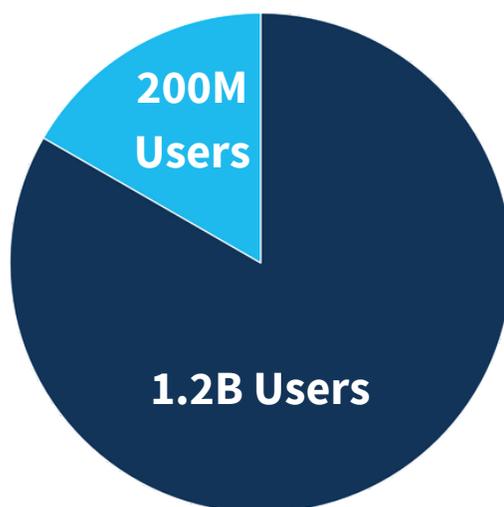# The Power and Peril

of Microsoft 365

nyxeia

InfoGov Insights

The Microsoft365 Adoption Wave

Microsoft 365 has seen dramatic growth in adoption in recent years. A response to cloud-based early movers like Google Docs, Microsoft 365 represents an attempt by Microsoft to provide a better, more secure user experience through seamless integration across the suite's component applications, and improved information governance capabilities.

By all accounts, Microsoft's efforts have been mostly successful, and businesses are adopting Microsoft 365 at a record pace because of the flexibility, productivity, and governance benefits that the suite promises. By mid-2020, the number of Office 365 users had reached roughly 200M[1] worldwide, out of an overall population of MS Office users of roughly 1.2B[2]. While a level of adoption of 1/6 may not seem impressive, the pace is accelerating in the wake of the COVID-19 experience and the push toward more virtual, distributed workforces.

200M Users

1.2B Users

Microsoft Office Users vs. Office 365 Users in Mid-2020

1. https://www.cmswire.com/digital-workplace/office-365-reaches-200m-commercial-users-us-workplace-engagement-is-up-more-news
2. https://www.windowscentral.com/there-are-now-12-billion-office-users-60-million-office-365-commercial-customers

But the adoption of Microsoft 365 brings a mixture of power and peril. Organizations looking solely at the strong benefits of Microsoft 365 may not recognize some of the risks that the suite introduces in areas of regulatory compliance, litigation support, and information governance best practices support. This document provides a brief overview of some of the issues organizations should be aware of when adopting Microsoft 365.

Areas of Potential Risk to Actively Mitigate

Server-Side Labeling (Auto-Classification)

One of the greatest lessons of Information Governance in recent years is that it cannot impede the business. In other words, if the broad community of content creators in a typical organization must declare or categorize records manually as part of their document creation workflow, the Information Governance process will fail.

Instead, organizations today must put innovative tools and processes in place to identify records for governance, categorize them based on a combination of rules- and machine learning-based approaches, and govern them accordingly without the involvement of the content creator.

Microsoft 365 supports this conceptually through what they call "server-side labeling" in which information assets are labeled for

sensitivity and retention in ways that make them governable.

Unfortunately, server-side labeling is somewhat limited today, and is precluded as a serious solution for most large organizations because of gaps that include:

Few Third-Party Integrations

While the Office Suite is nearly ubiquitous in today's workplaces, it is not alone in the enterprise. Departmental and market-specific applications will always remain relevant and are important sources of information that must be coherently governed alongside Office data. Indeed, Microsoft's sole connections outside its ecosystem are largely irrelevant to the enterprise and include LinkedIn (which it owns), Facebook, and Bloomberg news. For this reason, even though many of the information governance features of Microsoft 365 are useful, they will not be able to provide enterprise coverage anytime in the foreseeable future.

Server-Side Bottlenecks

Likewise, for organizations that may have millions or tens of millions of documents in existence prior to adopting Microsoft 365 will encounter limitations in applying server-side labeling to legacy documents uploaded to OneDrive, namely capacity and policy limitations that may be problematic for larger organizations with a sizeable document corpus already in existence. According to Microsoft, the application of labels used for sensitivity and document categorization is limited, specifically [3]:

- Maximum of 25,000 automatically labeled files (Word, PowerPoint, or Excel) in your tenant per day
- Maximum of 10 sites collections across all policies
- Maximum of 10 policies across your tenants

3. https://docs.microsoft.com/en-us/microsoft-365/compliance/apply-sensitivity-label-automatically?view=o365-worldwide

Effective Teams Governance

In recent months, Teams usage has soared -- seeing adoption rates grow by more than a third in just a week to 44M daily users[4] at the onset of the COVID-19 crisis with growth rates continuing to accelerate since that time.

Rate of Teams Adoption
in COVID 19

April 2020
75M Users

Mid March 2020
44M Users
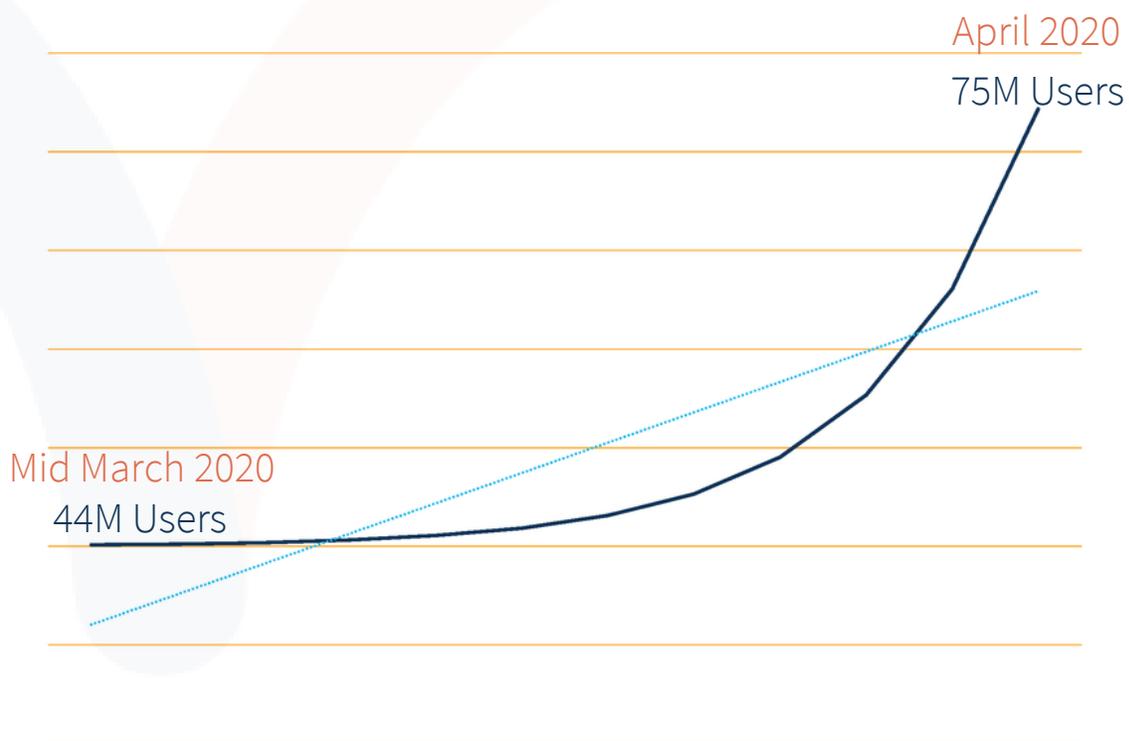
But governing Teams traffic can be a challenge since Teams relies on multiple backends (including OneDrive, Exchange, and SharePoint) as part of its ability to embed and link objects as part of chats and channels. Microsoft addresses this by allowing sensitivity labels to be created and applied to Teams, but these labels are:

4. https://www.statista.com/statistics/1033742/worldwide-microsoft-teams-daily-and-monthly-users/

Team, Not Content-Based

Sensitivity levels in Teams are applied by MS Teams administrators to the teams themselves not to the myriad pieces of content flowing through potentially less secure team channels, person to person instant messages, etc.

Admin-driven, Not Automated

As the prior bullet implied, sensitively levels are manually applied by Teams administrator at the team or channel level rather than applied through a rules-based approach that is informed by an analysis of the content flowing through the application.

In short, Teams sensitivity labels govern who can be part of a team or a channel, but don't govern or enforce what type of content that flows through those application structures.

Support for Governing Structured Data

Microsoft's security and compliance framework is today almost totally focused on unstructured data – namely Microsoft 365 files and content flowing through Microsoft 365 applications like Teams or Outlook / Exchange (through this coverage is lacking, as we've seen). Absent from this approach is coverage of structured data, even that residing in Microsoft applications.

A common fallacy in records management circles is that by residing in a professionally-administered application database management system, structured data is well-understood, and managed in ways that are compliant with regulatory, level, or organizational mandates. Unfortunately in most organizations

this is not the case. Disposal of structured data is almost always driven by the IT department on the basis of a cost or performance rationale and is often uninformed of the legal or compliance obligations of the organization.

For this reason, organizations seeking a robust information governance capability must look at Microsoft 365 as a partial solution at best, a piece of the puzzle that must be supplemented with a more enterprise-capable solution.

Getting the Most Out of Your Microsoft 365 Investment

Invest in a Solution with Enterprise-Grade Auto Classification

Most organizations adopting Office 365 today bring with them a wealth of information from prior systems – sometimes years or even decades worth of accumulated assets. Microsoft's inability to auto-classify this information at scale means that most large organizations will need to invest in an enterprise-grade tool that can do discovery, auto-categorization, and metadata enhancement to characterize those assets, assign appropriate policies, and manage a process of defensible disposition over time.

nyxeia

nyxeia.com

Tools like Nyxeia's Information Governance Suite do this and integrate tightly with Microsoft 365 to leverage security and retention labels and normalize those attributes against those used as part of an enterprise-wide Information Governance strategy.

Adopt a Multi-Vendor Approach to InfoGov

Some industry analysts have speculated that the information governance features in Microsoft's security and compliance toolsets will become a new standard for the field. The argument states that through market-share alone, Microsoft will effectively degrade the field of information governance, which has been defined in part by rigorous standards like DoD 5015.2.

For small to medium businesses, Microsoft has a compelling argument. For larger organizations like those that are the core practitioners of information governance, this approach is simply not feasible. When audits or litigation happen, details matter.

It's important to implement an InfoGov strategy that is multi-vendor, and that includes capabilities for managing not just Office 365 information, but information stored in unstructured systems like cloud and premise-based file shares, collaborative platforms, ERP and Financial systems, CRM, support platforms, etc. Only by embracing a multi-vendor approach can an organization realize an InfoGov strategy that is compliant with regulations like GDPR and CCPA, and responsive to the needs of legal teams in the event of litigation.

Implement an MS Teams Training Program

The content sharing capabilities Teams can be governed crudely at a team or channel level, but as we have seen a more content-aware governance of what flows through Teams interactions is lacking at this time.

For this reason, the challenge of good Teams governance comes down to a training problem for those organizations that choose to adopt Teams for its powerful collaboration features despite the risks it entails. By making end-users aware of what should and should not pass through Teams interactions, training programs can help to ensure that organizations adopting the tool reap the rewards with a lower risk profile.

Supplementing training with a third-party InfoGov solution (like Nyxeia's .discover federated search product) that can analyze Teams interactions – both instant messages as well as attachments or document snippets that flow through the tool – is a recommended measure to further ensure good Teams data sharing practices, and rectify issues that surface despite end-user training programs.

Successfully Riding the Wave

The capabilities of Microsoft 365 are impressive and bring new features and functionalities that are well-suited for today's increasingly virtual workforce. Document co-authoring, collaboration, and centralized storage management features are

precisely what today's workforce needs.

However, by understanding the limitations and risks posed by this powerful new suite of tools, organizations can make intelligent and informed decisions about how to manage the information across their entire enterprise. By adopting an approach that includes departmental and industry-specific applications, that supports governance of both premise-based tools as well as the cloud, and that can manage structured as well as unstructured information, organizations can reap the full benefits of Microsoft 365 – and do it without sacrificing their ability to comply with legal and regulatory obligations.

Stay at the Forefront of Information Governance Innovation

[Learn more about products used for information search, enhancement, and full lifecycle governance](#)

About Nyxeia

Nyxeia provides the industry's most innovative software to help organizations identify their sensitive and valuable information to be more informed, efficient, and compliant with privacy protection regulations. Nyxeia enjoys stable ownership that has for the last 30 years created a portfolio of innovative companies that have become leaders in their markets.