

# **Embracing and Empowering the Consumerization of IT**

**An Osterman Research White Paper**

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## **Executive Summary**

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Employees' selection and use of hardware and software platforms – made independently from and without IT's blessing – is becoming increasingly common in organizations of all sizes. For example, an Osterman Research survey<sup>1</sup> of end users discovered that 38% of individuals employ one or more of the following at work or for work-related purposes: Twitter, Facebook, instant messaging, Yahoo! Mail or Skype. While these tools can be useful in a business context, these are generally not tools that were originally developed for IT departments.

This so-called "consumerization of IT" is increasing. As but one example is the growth in use of "freemium"<sup>2</sup> file-sharing tools that have been introduced into companies by individuals and workgroups to bypass the file-size limitations that many IT departments impose. Because presentations, graphic files, videos and other content often cannot be sent through email – the de facto file transport system in most organizations – email users have turned to file-sharing technologies to ensure they can send content to others without having to resort to expensive overnight courier services or other slow and expensive methods for sending large files.

It is important to note, however, that the "consumerization of IT" can be a bit of a misnomer. While the term may conjure up images of employees playing games or communicating with friends via Facebook, in reality the consumerization of IT represents three related trends occurring in today's workplace:

- There is a new crop of highly reliable cloud-based tools that include features and functions that many IT departments simply do not provide to their employees because of limited budgets, more conservative decision making processes or a philosophical bent toward traditional tools.
- Employees and workgroups are choosing tools with which they are familiar in their personal lives, that are recommended to them through word-of-mouth by colleagues and friends, or that meet specific requirements to help them do their job more effectively without waiting for their IT departments to evaluate and deploy the technologies they need.
- A growing proportion of personally owned devices, such as iPhones and iPads, are being brought into the workplace. Some organizations are embracing this trend by partially or fully funding devices that employees choose for themselves, such as smartphones and laptops.

The result is that a growing proportion of the IT infrastructure in many companies actually consists of tools that individual users and workgroups are deploying without IT's knowledge or blessing. This is particularly true of those who work remotely or spend much of their workday using mobile and/or personally owned devices.

### **THE UPSIDE AND DOWNSIDE**

The consumerization of IT has both a significant upside and a potentially serious downside if it is not managed properly. The upside is that employees can be more efficient, the load on IT-deployed systems can be reduced, IT costs can be driven down and decision-making can be

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<sup>1</sup> Unpublished Osterman Research survey data

<sup>2</sup> By "freemium", we mean a tool whose basic capabilities are offered at no charge, but a more capable version is offered for a fee.

faster. The downside is that corporate requirements for security, compliance and risk mitigation need to be addressed in a different way because of the decentralized nature of managing an increasingly diverse set of tools. Organizations that do not adapt to this new management paradigm run greater risks of security breaches or non-compliance, and IT runs the risk of being perceived as a roadblock instead of as a business enabler.

The bottom line is that organizations can embrace and empower the trend toward consumerized IT. This is not about deciding if employees or IT will have control of the corporate infrastructure, but rather how IT can understand and accept this trend and continue to play the role of business enabler.

## **KEY TAKEAWAYS**

Osterman Research has four basic recommendations with regard to the consumerization of IT:

- **Embrace the trend**  
There are many tools that can provide much better functionality than the systems offered by IT today. Organizations of all sizes can realize significant cost and other benefits by allowing them to be used.
- **Turn the trend into a competitive advantage**  
Use of these tools allows employees to be more agile and move business forward faster. Companies in which workers use these tools can be more agile, as well, in terms of rapidly growing or contracting deployments as needed and keeping costs down by leveraging cloud vendors' infrastructure instead of building their own.
- **Integrate these technologies with the existing infrastructure**  
By integrating IT-sanctioned and consumer technologies, organizations will be able to achieve synergies that might not otherwise be possible.
- **Manage all technologies in a cohesive framework**  
By using IT more as an integrator of corporate and consumer technologies rather than the sole source of all communications and collaboration capabilities, IT can continue in its security, compliance, risk mitigation and business enablement roles.

## **ABOUT THIS WHITE PAPER**

This white paper provides a brief overview of the trend toward consumerized IT and Osterman Research's recommendations for addressing it. It also provides an overview of the offerings from YouSendIt, the sponsor of this white paper.

## **Just What is the "Consumerization of IT"**

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### **EMPLOYEES WANT TO USE THEIR OWN TECHNOLOGY FOR WORK**

Consumers have available to them a large and growing variety of interesting, fun and useful technologies: Webmail, Twitter, Facebook, smartphones, tens of thousands of apps on various platforms, tablets, laptops, netbooks, file-sharing applications, widgets and other applications, services and devices. These tools are appealing because they are often easier to use and more reliable than IT-deployed technologies, they provide a richer work experience, or they provide

functionality that the IT department simply does not make available. Moreover, some of the tools that consumers have opted to use are less complicated than IT-sanctioned tools, sometimes because IT has focused on satisfying corporate requirements at the expense of usability.

Moreover, because of the continually increasing functionality of home-based technologies, as well as falling prices for them, consumers often have more powerful hardware and better software applications available at home than what IT is providing to them at work. Many employees – particularly those who work from home part of the time – don't want to give up their easier, cooler, more fun, more useful and less restrictive technologies when they work. The result is that they simply use their own tools – or the same tools they employ personally – in the context of their work alongside the systems that IT has deployed.

### **AN IMPORTANT NOTE**

Through this white paper we will refer to “consumer” or “consumerized” technologies. However, it's important to note that a “consumer-grade” technology does not necessarily imply less functionality, inferior performance, greater vulnerability to malware or other deficiencies relative to “business-grade” technologies. Instead, what we mean in the context of consumer-grade technologies are those systems and applications that are introduced into a workplace context by employees, business leaders or workgroups and not through the traditional IT channel.

### **WHY IS IT HAPPENING?**

There are five fundamental reasons that explain why employees are using consumer technologies for work-related purposes:

1. Consumer-focused technologies are being developed at a faster pace than traditional, work-focused IT technologies. Because consumer-focused technology providers have a larger potential customer base, they can often more easily afford the development effort required to create more feature-rich technologies.
2. Consumers can continually accept upgrades to interfaces and functionality at a pace that would be cost prohibitive for enterprises. This is because each new upgrade in an enterprise setting is expensive for both IT to deploy and integrate with existing systems, and for the help desk to manage in the context of helping users learn new tools.
3. The growing number of employees who work from home at least part of the time are less under IT's control and are therefore freer to use their own technologies to get work done.
4. Some IT vendors are focusing heavily on their consumer offerings and later migrating them into work-focused technologies. For example, companies like Apple, Google and Microsoft have created advanced consumer technologies that they later adapt for their enterprise customers. As but one example of this trend is a comment from Microsoft president Steve Ballmer at the Microsoft Worldwide Partner Conference in July 2011: in referring to the integration of the Xbox platform, Microsoft's Bing search engine and live television that will be debuted in time for the Holiday season in 2011, Ballmer noted to an audience of business-focused partners, “think how you'll one day be able to use these concepts at work”.

5. Finally, the cloud is a major contributing factor for the growth of consumerized IT because it enables users to employ the same tools and have the same work experience from any location, browser or device.

## **Is the Consumerization of IT Good or Bad?**

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### **YES AND NO**

Should the consumerization of IT be viewed as acceptable or unacceptable? The answer to that question depends on several important factors:

- **The corporate culture of the organization**  
Will the culture of IT and non-IT management, as well as that of the employees themselves, lend itself to the adoption of new tools, or will innovation in the way that work is performed be stifled by the status quo of existing infrastructure and work processes?
- **The standards by which employees are evaluated**  
Are employees evaluated heavily by face-to-face interactions or their presence in an office, or are they evaluated primarily based on the quantity and quality of their work? The answer to this question can make a major difference in how employees work and, by extension, the tools they use to get work done.
- **The degree to which employees are trusted to get their work done when not in the office**  
As a corollary to the point above, employees who are not trusted to work from home or remotely will opt for a different method of working than employees who are able to work more independently. As a result, they will be less likely to adopt consumerized tools.
- **The regulatory climate in which the organization operates**  
The use of consumerized tools is a major issue for heavily regulated firms like financial services companies or energy trading firms, since regulators sometimes have specific requirements about how and when non-approved tools can be used.
- **The flexibility of the IT department in adopting new technologies**  
Some IT organizations embrace the use of consumerized technologies while some others resist them vigorously. IT's response to consumerized technologies can play a major role in how these tools are used.

### **THE ANTI-CONSUMERIZATION POSITION**

Those against the use of consumer technologies in a work context typically cite a number of issues when employees have flexibility in determining the tools they use to do their work. Their objections include:

- Reduced IT control over the corporate infrastructure that they believe can lead to greater malware infiltration.
- More difficulty in meeting legal and regulatory compliance obligations.

- Less control over archiving of business records.

Some IT departments will also cite their inability to support all of the platforms and software tools that employees might use as another reason not to want consumerized tools to be used on the corporate network. For example, an IT department that issues Windows-based laptops and BlackBerries may simply not have the training, expertise or bandwidth to support MacBooks and iPhones.

### **THE PRO-CONSUMERIZATION POSITION**

Those in favor of allowing users and workgroups to determine the tools they use cite the fact that use of consumer technologies makes employees more productive and it can significantly reduce IT costs. For example:

- Using a cloud-based file-sharing solution to bypass IT-imposed file size limits on attachments allows employees to send large files quickly without having to send them via expensive overnight delivery services. Many IT organizations impose limits on the size of attachments that can be sent through email systems. Faced with the need to deliver a file larger than what their corporate email system will allow, users will often employ a cloud-based file-sharing solution, such as YouSendIt. While employees use cloud-based file-sharing solutions to accommodate their personal requirements, this also has the additional benefit of reducing the load on email servers, making IT's job a bit easier.
- Using a personal Webmail system will allow email functionality to be maintained on a near 24x7 basis in conjunction with the corporate email system. This means that employees will remain in contact with suppliers, customers, prospects and others with whom they need to communicate even if the corporate email system suffers an outage.
- Social media sites are being used as tools to communicate with customers. Departments or individual users will often use social media tools like Twitter to develop a following among prospects and others or for PR purposes.
- Use of consumer technologies can help an organization to adopt new capabilities that IT may be slow to address because of budget constraints, political issues or other limitations. For example, Skype, once used primarily by consumers, is now being used to make long-distance calls, as well as for teleconferences and screen sharing within organizations, often where VoIP or Web conferencing capabilities are not available.
- There is a proliferation of e-signature tools that are a quick and easy way to close deals and sign contracts on the go – particularly helpful for mobile users. Most IT departments have not deployed these capabilities and so workers without them are forced into the mode of print > sign > scan > save > email, a process that delays closing deals and complicates the overall authorization process.

It's important for IT managers and business decision makers to understand that consumer technologies are typically not used frivolously by employees who want to waste time by playing games during work. To be sure, some of this occurs, but more often consumer technologies are used to solve real-world business problems.

The bottom line is that consumer technologies can provide some real benefit to companies and can plug holes in the corporate infrastructure that IT has either been reluctant to fix or has not had the budget to properly address.

### **WHO'S RIGHT?**

The key issue for decision makers in any organization is to determine if the anti- or pro-consumerization argument is the right one. A key decision point is to determine if consumer technologies reduce IT control and expose the organization to greater risk, or will the use of consumer technologies actually increase productivity and make the organization more agile? That leads us to the next issue – how should IT departments respond to the growth of consumer technologies in their organizations?

## **How Should IT Departments Respond?**

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### **OPTIONS TO CONSIDER**

IT organizations faced with the decision of whether or not to permit the use of consumer technologies in their organizations have three options:

- **Do nothing**  
Let employees have complete control over technologies they use in addition to those that have been provided by the IT department and do nothing to limit, control or manage how these technologies are used.
- **Impose draconian limitations**  
Take the opposite position and impose tight controls on employees, preventing them from using any technology that is not officially sanctioned by IT. This might include establishing policies against the use of any non-IT-deployed systems, blocking traffic at the firewall or actively deleting any unapproved software.
- **Manage consumer technologies**  
Accept the consumerization of IT, understand why these tools are being used and manage employee-deployed technologies inside the broader framework of corporate requirements.

### **WHY MANAGING CONSUMER TECHNOLOGIES IS THE BEST OPTION**

Osterman Research firmly believes that the last option – managing consumer technologies instead of ignoring or fighting against them – is the best option for virtually any organization. Here's why:

- **Fighting the consumerization of IT is a losing battle**  
Given the large number of personally owned mobile devices used in the workplace, even if IT can successfully lock down corporate desktops and laptops and block any non-IT technologies from use, employees will still be able to use their tablets, smartphones and other mobile devices to do work. This is true while employees are in the workplace, but especially when they are at home, where they can use both mobile and desktop devices to access corporate resources, tweet, communicate with clients, etc.

- **Integrating consumer technologies improves overall functionality**  
Integrating consumerized and IT technologies into a single management infrastructure can create synergies and greater efficiency than is possible by using only those tools that IT has deployed. As but one example, the use of a cloud-based file-sharing system can make employees more efficient and speed decision-making by making content available to others more quickly. At the same time, a cloud-based file-sharing system can significantly reduce the amount of storage required on email servers, making them operate more efficiently, as well as speeding up backups and restores.
- **Unified technologies can add value**  
If IT embraces the notion that the consumerization of IT can add real value to their organization, they can then adopt technologies that bring together a variety of functions, such as file-sharing, e-signatures, desktop synchronization, online storage, etc. in a single package. This will reduce the number of point solutions used, making integration easier and minimizing the amount of time that IT and end users must spend on learning and managing these tools.

The bottom line is that integration of consumer tools into the IT management structure can make employees more efficient and reduce overall IT costs; while maintaining the security, compliance and risk mitigation that decision makers require.

## **A Three-Step Process to Consider**

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Osterman Research recommends that decision makers follow a three-step process as they consider the use of consumerized technologies in their organizations:

- **Audit**  
First, conduct a thorough audit in the organization to determine what technologies employees are using. This might consist of sniffing network traffic to determine the tools that are in use, or surveys of end users asking them what they have installed on their work platforms (desktops, laptops, smartphones or tablets) or are using for work-related purposes at home. The goal is simply to gather a complete list of all of the technologies that are being used in the corporate network or that are otherwise used to manage content on behalf of your organization.
- **Evaluate**  
Next, evaluate the utility of these technologies and how they can improve user productivity and overall business processes in your organization. For example, a freemium file-sharing system might be used simply because the IT department might have imposed too small a file-size limit on email attachments, forcing users to seek an alternative to send large files. A knee-jerk reaction that forces employees to stop using this tool can reduce employee productivity, lengthen the decision making process and increase courier costs when employees send large files.

The goal here is to evaluate each of the non-IT technologies in use to determine if it is meeting a real business need, determining which are providing value to the organization and which are not. A related component of the evaluation process is to consider the



specific capabilities of the tools that are being used, particularly those that will enable IT to effectively manage them in a corporate environment. For example, there may be multiple file-sharing tools in use within an organization, but some may not provide the capabilities that IT needs to manage them in a way that meets both user needs and corporate policies in the context of security, compliance or governance.

- **Integrate**

Finally, we recommend integrating useful, non-IT-deployed technologies into overall IT management processes. The goal here is to allow the continued use of the useful technologies discovered during the evaluation process, ensuring that:

- IT is fully aware of how and why these technologies are used in the organization.
- These technologies are managed as part of the organization's security infrastructure. For example, files sent or received using a cloud-based file-sharing solution should be checked for malware, content in these files should be archived according to business rules, etc.
- Non-IT tools are compatible with the rest of the IT infrastructure.

## Summary

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Consumer-focused technologies that are deployed by employees can provide tremendous value to any business and can provide IT organizations with more functionality than they can afford or are willing to deploy. However, consumer technologies must be appropriately managed in order to satisfy corporate security, compliance and other requirements. This means integrating consumer technologies into the existing IT fabric in order to achieve the greatest possible synergies between consumer-focused and IT-deployed technologies.

## About YouSendIt

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YouSendIt, Inc. is the first cloud collaboration service to offer an integrated approach for sending, sharing and signing documents online. With over 20 million registered users in 193 countries, YouSendIt helps enterprises and business professionals streamline collaboration by enabling them to instantly sync and access content in the cloud and easily send files, share folders, and sign documents from anywhere—the desktop, Web or mobile devices. YouSendIt offers a suite of productivity tools that integrate seamlessly into common desktop and mobile environments. With YouSendIt, companies can alleviate ever-expanding email inboxes and overages, improving performance and productivity while reducing costs and IT security risks. Headquartered in Campbell, California, YouSendIt is a privately held company backed by venture capital firms Adams Street Partners, Alloy Ventures, Emergence Capital, Sevin Rosen and Sigma Partners. Visit [www.yousendit.com](http://www.yousendit.com) or the YouSendIt blog for more information.

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