Discovering and Managing Shadow IT

for Tech Savvy Company Leaders

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Quest
TECHNOLOGY
GROUP

What is Shadow IT & Why Does It Matter?

Fact 1: Employees are going to find the quickest way to get their work done.

Fact 2: When employees don't have the tools they need to get their work done, they'll find their own solution.

Fact 3: Employees don't think twice about doing a quick internet search and downloading whatever seems to solve their immediate problem.

Fact 4: When employees don't find their own solution, they'll look to IT to deliver it to them.

Fact 5: Your IT support team doesn't always have the expertise, time (or interest) to evaluate tools effectively and solve the right problem. That's not what they do.

Fact 6: When employees download apps and tools that haven't been approved by IT, it's called shadow IT.

Fact 7: Shadow IT exposes your company to data loss, security breaches, and needless tech clutter.

Fact 8: Shadow IT – when put to use wisely – can uncover positive possibilities company leaders weren't expecting.

The fact list could go on.

We can all agree that Fact 8 is more comfortable – and interesting -- to talk about than the others. We know that we do focus a lot of attention on the risks and negatives associated with shadow IT. That's because you deserve to be aware of them. They have a significant impact on your company's health.

But when you start with Fact 8 instead, you go a long way toward resolving the other, more negative, facts.
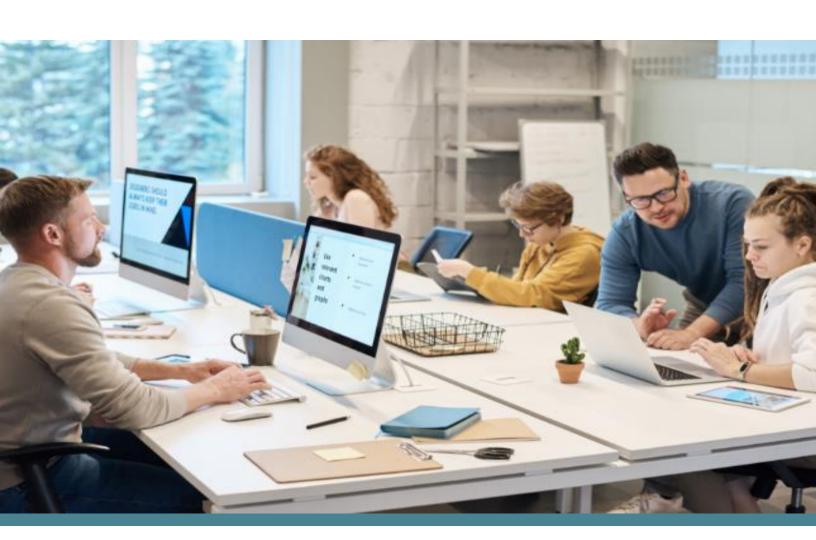
Fact 9: With rare exception, employees aren't intentionally doing something wrong. They're not trying to harm your company. They simply want to do their best work and get on with their day.

How Do You Know If Shadow IT Is Happening?

If you have employees, then shadow IT is probably alive and well. In fact, if you're a solopreneur and have ever downloaded a long-forgotten app, then you have your own version of shadow IT.

Employees view crafting their own productivity solutions as a way to be more efficient. They feel more in control of their time and how they work. While their intentions are often good, they don't understand the real security risks these can pose to your company.

What Are the Risks of Shadow IT?

Consider for a moment ...

☑ When an employee creates an app or online account, who is the account owner? Is the account registered in the employee's name instead of the company?

☑ Who has access to the account?

☑ What do the Terms and Conditions grant to this third party application provider?

☑ Does the app or service provide user access controls? Does the employee know how to do this and why it's important?

☑ Has the employee used a strong password that is consistent with your company's password policy?

☑ Who has the password other than the employee?

☑ Who receives MFA credentials?

☑ What data is being collected, stored, and shared?

☑ Is the data backed up by the service provider?

☑ Does this app or service integrate (share data with) other company applications or services?

☑ When the employee leaves the company, what happens to the application and all the data?

What points can you add to this list?

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What Are the Benefits of Shadow IT?

In spite of the risks, shadow IT isn't necessarily all bad. When properly implemented with a **clear, collaborative company policy**, employees are encouraged to continuously learn, explore, and contribute to the company's growth tools.

The key is a thoughtful, not heavy-handed, policy that everyone understands and agrees to. Employees will become more aware of responsible security practices, the importance of safeguarding client and customer data, and the value of the company's reputation.

☑ Employees want to contribute.

☑ Employees often see opportunities for efficiency that IT isn't aware of.

☑ Breaking down the walls between IT and the rest of the company isn't easy, but it can be done with open communication.

☑ Companies will discover those employees who are eager to explore new tools. Everyone doesn't love the research and the time needed to learn. These employees are hidden gems in the company.

☑ Make IT exploration part of the company's ongoing technology strategy. The speed of change will only increase, and a living technology plan is essential.

☑ Continually assess the company's technology and data investments. These are some of a company's most valuable assets. Technology must always add to and integrate easily with the existing technologies in use.

Solving Shadow IT Isn't a Big Expensive IT Project

Starting any new project – *especially one that involves the dreaded technology* -- requires time, resources, and a reason to tackle it in the first place. Understanding what shadow IT means is one thing. Committing to managing it for the long term can feel complicated, costly, and overwhelming.

The good news: we have a solution that's designed especially for tech savvy leaders ready to do responsible shadow IT for the long term.

Here's a quick overview of the practical shadow IT roadmap we can implement for your company.

1. **Discover all the apps installed on employees' devices**. This is more complicated than simply asking your employees what apps they're using.

   Most of us would have to scroll through all of our installed apps to remember everything we've installed. The thorough, productive way to build your list is with – yes, you guessed it – software.

   We'll explain how that works in a minute.

2. **Share with your employees what you're doing and why**. Reassure them that this isn't a punitive, heavy-handed exercise. Quite the opposite. You want to learn what they need to do their best work. Who doesn't appreciate a company leader who is asking questions and listening?

3. **Organize the installed apps** list into company approved and unapproved apps.

4. **For each app – both approved and unapproved – ask your users how they use these apps**. The questions on the free 1-Page Technology Decision Guide and the Technology Performance Review Template will help you systematically collect the information you need.

5. **Your employee feedback is a goldmine of insights**. It will highlight redundancies, gaps, workflow inefficiencies, missed customer touchpoints, employee frustration, wasteful spending, and so much more. Let your creative mind wander freely.

6. **Create an action plan to prevent decision overwhelm** but keep the momentum alive. We all know what happens when there are too many opportunities and newly discovered problems to solve. Prioritize based on your company's unique strategy, focus, budget, and bandwidth.

Putting the Right Tools to Work Everyday

Since compiling a list of apps is tedious, time-consuming, and usually incomplete, putting technology to work to do the data collection for you solves the problem.

At a glance, this is how technology does the work for you.

1. A small piece of software (called an agent) is installed on every user's device.

2. The agent immediately discovers all of the apps installed on each device.

3. You now have a detailed list of every app used by your company, including the employee's name(s) and how often they use the app.

4. As you move ahead with your action plan, you have the ability to approve applications that are appropriate for your company. On the other hand, you can block applications your research tells you should not be used.

5. Since these unseen agents are continuously running, your shadow IT management and opportunity discovery are ongoing.

Let's Do Responsible Shadow IT Together

It's important to remember that you, the company leader, are responsible for …

☑ The safety and integrity of your customers' and clients' data.

☑ The safety and integrity of your company's data.

☑ The safety and integrity of your employees and their data.

☑ Your customer's and clients' reputations.

☑ Your company's reputation.

☑ The responsible use of all internal and external technology resources by everyone in your company.

☑ The strategic health of your company.

Does all of this sound complicated and expensive? We get it.

If you're like most of us, this short introduction has simply created more questions. Not to worry. Your role as a company leader is to become confidently tech savvy, not to become a technology expert doer.

Quest Technology Group is committed to helping companies like yours make informed technology and business decisions that best serve you and your clients. We believe this starts with knowledge.

A lot of knowledge. We're here to share what we began learning in 1991... and continue the business technology learning journey today.

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About the Author

Linda Rolf founded Quest Technology Group in 1991. The business technology landscape has changed a lot since then, but one thing has remained the same: we like technology but we love business even more.

Since our early days building custom software for the insurance industry, Quest has been committed to putting technology to work to solve everyday business problems.

We work side by side with our clients to build the right technology foundation that supports their long-term growth strategy.