

Beyond the General Data Protection Regulation:

Data residency insights from around the world



Learn More

To read the full report,
please visit us at
mcafee.com/beyondGDPR

The E.U. General Data Protection Regulation (GDPR) will be enforced starting May 2018, with new requirements applying to those collecting, storing, or using personal data of E.U. citizens. While the GDPR is top of mind for anyone around the world concerned with data protection, it isn't the only factor driving data residency—the physical location where data is stored—up the agenda for businesses.

The residency of data has become a strategic decision for most organizations, accelerated by several interrelated factors. These include geopolitical change, the impact from a changing regulatory framework, the changing nature of data storage and transmission, the growth in cloud computing, and the increasing commercial value of data in the digital era.

McAfee surveyed 800 senior business professionals across eight countries from a range of industry sectors to better understand the factors driving data decision-making and how organizations currently approach data management, protection, and residency. The report, [Beyond the General Data Protection Regulation \(GDPR\)](#), explores the impact of geopolitical changes and their impact on data, the degree to which organizations are prepared for GDPR, and the impact of 11 country and sector-specific regulations.

EXECUTIVE SUMMARY

Key Findings

Global events affect data migration plans

Rarely has the world experienced such political and economic flux as today. Laws regulating the use of personal data and those seeking to give governments greater surveillance powers in the name of national security operate in the context of this upheaval. Nearly half of organizations surveyed will migrate data as a result of political changes and legal requirements including the forthcoming GDPR (48%), the U.K.'s exit from the E.U. (48%), or U.S. policies (47%). The knock-on impact is that these events are also giving organizations pause for thought, leading some to revise and review technology spending plans in the near to medium term.

Privacy sells: Data protection delivers commercial advantage

Data protection isn't just good practice and a legal obligation. It can also offer an opportunity to get on top of data storage and locate every piece of data that resides within an organization, as well as a chance to reconnect with customers and clients, establishing consumer trust in the process. It can deliver competitive advantage and 74% of respondents believe organizations that properly apply data protection laws will attract new customers. Benefits also include the avoidance of fines, reputational damage, and regulatory penalties. Compliance activities can have a benign effect on other business processes too. With clean and secured data, a

business can better trust the integrity of the analytics it is generating. To put it another way: no more "garbage in."

GDPR readiness: Organizations take 11 days on average to report a breach

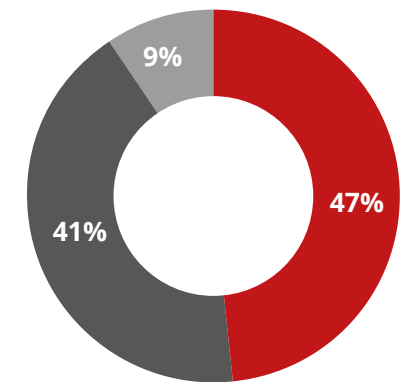
GDPR requires that the local regulator is alerted within 72 hours of a data breach or be given reasons for the delay. Currently, respondents reported it takes nearly four times as long—11 days on average—to report a breach. Nearly a quarter of respondents say it takes two weeks or more. The survey also reveals there is a stigma associated with reporting a data violation, with 63% of respondents saying it will have a negative effect on their brand. Nearly half (47%) said they would prefer to accept a fine rather than make a breach public.

Where is my data? Most organizations are 'unsure' where their data is stored

As data residency becomes an increasingly strategic decision, the need to answer a seemingly simple question—where is my data?—has risen up the organizational agenda. An overwhelming 97% of respondents are confident that they have some knowledge of where their data is physically stored. Dig a little deeper, however, and while almost half (47%) of respondent organizations say they know where their data is stored at all times, that means the majority are unsure, at least some of the time.

Where is my data?

How confident are you that you know where your organization's corporate data is physically stored?



- Completely confident**—we know where all of our data is all of the time
- Somewhat confident**—we know the country it is stored physically in most of the time
- Somewhat confident**—we know the region it is stored physically in all of the time, but not the specific country it is physically in

EXECUTIVE SUMMARY

- **Understanding of country-specific regulations: Only 2% of business leaders say they know the full extent of the laws that apply to their organizations**

Any organization with global ambitions, workforce, and customers will soon butt up against myriad country- and sector-specific regulations. The majority of respondents (54–74%) believe their organization has a “complete understanding” of the data protection regulations that apply to them. In fact, just 2% of senior decision makers know all the clauses of regulations that apply to their organizations, a reflection perhaps of the complexity of those regulations. The survey asked respondents to identify specific clauses within relevant country or sector-specific regulations from around the world. The highest average score was by German respondents for clauses relating to Bundesdatenschutzgesetz, the country’s federal data protection act. Most, however, identified fewer than half of relevant clauses.

Conclusions

This report provides a context in which to compare individual and organizational attitudes toward data residency, protection and preparedness in the light of a changing regulatory landscape. It also provides a comprehensive view of how senior decision makers view

11 key data regulations from around the world, including the forthcoming GDPR.

One of the most notable themes that runs through the findings is an apparent contradiction in the impulses of respondents. On the one hand, global events and a tightening data protection regime is giving senior decision makers pause for thought over organizational spend and investment. On the other hand, most organizations looking for the best place to locate their data gravitate toward those countries with the most stringent data protection rules.

So, while compliance might be burdensome and disruptive in the short term, there is a recognition—albeit tacit—that firmer data protection rules are beneficial not just to customers and clients but to the organization itself. This is perhaps best articulated in the progressive view that data protection can be turned into a competitive advantage, a so far under-explored boon.

Through the uncertainty there is much to be positive about. Good data governance underscores good organizational management. Organizations will make better use of their data the more they understand what they possess and where it resides. As this report makes plain, there is much to learn.

About McAfee

McAfee is one of the world’s leading independent cybersecurity companies. Inspired by the power of working together, McAfee creates business and consumer solutions that make the world a safer place. By building solutions that work with other companies’ products, McAfee helps businesses orchestrate cyber environments that are truly integrated, where protection, detection and correction of threats happen simultaneously and collaboratively. By protecting consumers across all their devices, McAfee secures their digital lifestyle at home and away. By working with other security players, McAfee is leading the effort to unite against cybercriminals for the benefit of all.

Learn More

To find out more about the data protection opportunity for businesses, visit mcafee.com/beyondGDPR



2821 Mission College Boulevard
Santa Clara, CA 95054
888 847 8766
www.mcafee.com

McAfee and the McAfee logo, ePolicy Orchestrator, and McAfee ePO are trademarks or registered trademarks of McAfee, LLC or its subsidiaries in the US and other countries. Other marks and brands may be claimed as the property of others. Copyright © 2017 McAfee, LLC. 3612_1017 OCTOBER 2017