

VERITAS™

2017 VERITAS GDPR REPORT

Chapter 1:

Fears of Brand Damage, Job Loss,
Company Livelihood Surface as
Businesses Try to Come to Grips
with GDPR Compliance



The deadline looms on the horizon: **25 May, 2018**. That's the day the European Union will enact some of the most stringent data privacy regulations the world has ever seen. These regulations impact thousands of organizations around the globe - virtually any company that does business within the EU and holds personally identifiable information (personal data) on EU residents.

Despite that fast approaching deadline, research commissioned by Veritas Technologies shows that **86%** of organizations worldwide are concerned that a failure to adhere to the upcoming General Data Protection Regulation (GDPR) could have a major negative impact on their business. In addition, almost half (**47%**) of organizations fear they won't meet the requirements of the legislation, and many have critical concerns about what that could mean for their employees and their company as a whole.

Of course, organizations are worried about the significant fines that could be levied, which could be as high as **€20 million (\$21.5m)**, or **4%** of annual revenue - whichever

is greater. But, the research shows fears go much deeper.

Nearly one in five (**18%**) respondents are worried that non-compliance could ultimately put their organization out of business. Additionally, one in five (**21%**) are very worried about potential layoffs, fearing that staff reductions may be an inevitable way to offset financial penalties incurred as a result of GDPR compliance failures.

Companies are also worried about the impact non-compliance could have on their brand image, especially if and when a compliance failure is made public, potentially as a result of the new obligations to notify data breaches to those affected. Nearly

one in five (**19%**) surveyed fear that negative media or social coverage could cause their organization to lose customers. An additional one in ten (**12%**) are very concerned that their brand would be de-valued as a result of negative coverage.



Organizations are worried about the significant fines that could be levied, which could be as high as **€20 million (\$21m)**, or **4%** of annual revenue - whichever is greater.

“What concerns you the most about the potential fallout from your organization not being in compliance with the GDPR?”
Asked to all **900** respondents

19%



The negative media or social coverage could cause us to lose customers

18%



The high penalties could cause us to go out of business

21%



The high penalties could lead to a workforce reduction

12%

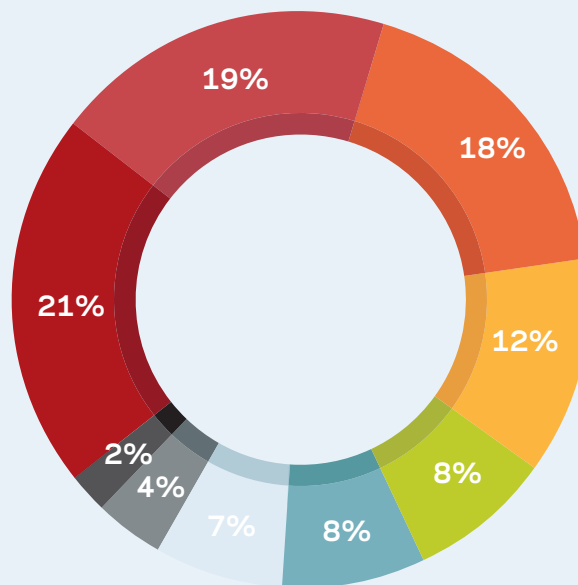


The negative media or social coverage could cause our brand to be de-valued

2%



I don't know



8%



Potential shareholder lawsuits if we have a significant data breach

4%



We have no concerns about the potential fallout from not being in compliance with the GDPR

7%



We have no concerns as we will be compliant

8%



We'll lose market share as prospects will think our competitors are better stewards of data than us

Lack of Technology Hindering GDPR Compliance

The research also highlights an important finding among those surveyed: many organizations don't have the proper technology to address the regulations. In fact, almost a third (**32%**) of respondents are worried their organization doesn't have the necessary technology to manage data effectively, something that could jeopardize their ability to search, discover and review data – all essential criteria for GDPR compliance.

In addition, nearly forty percent (**39%**) of respondents are worried their organization isn't able to accurately identify and locate data. This is a critical competency the regulation mandates considering that, when requested, businesses must be able to locate PII within a very short time frame.

Organizations are also extremely concerned about their ability to value data.

More than four in ten (**42%**) report that they do not have a way to determine which data should be saved. Under GDPR, organizations can retain personal data as long as it being used for its original intent, but must delete it once it is no longer needed for that purpose. Failure to adhere could result in the top fine, which has substantial ramifications.

“What concerns you most about readying your business for GDPR?” Showing the top five concerns. Asked to all **900** respondents

Not having a way to determine which data we should save or delete based on the value of the data

42%

Delete data from our systems that may have proven useful in the future

39%

Inability to accurately identify, locate and manage personal data during an internal search

39%

Not having the right tools in place to monitor data in real time

32%

Not being prepared to protect personal data from breach, loss or damage

30%

In order to address these technology challenges, the research shows organizations are taking more of a proactive role in seeking outside assistance. Nearly two thirds (65%) of respondents say that their organization has worked, or is currently working with, third parties to support their GDPR efforts. And organizations are not afraid to assign a significant budget (albeit one that is still dwarfed by the size of potential fines for non-compliance) to support their GDPR readiness: on average, respondents expect their organization to have

spent over one and a quarter million Euros (€1,360,567) or \$1,432,176 by May, 2018 in order to achieve full compliance.

It's imperative that organizations around the world take immediate steps to achieve compliance. Now may be a good time to seek an advisory service to check readiness and create a path forward. The clock is ticking and it's not just fines that are at stake, but jobs, brand reputation and the livelihood of businesses globally.

For information on how Veritas Technologies can help your organization become GDPR compliant visit:

veritas.com/gdpr



Methodology

Veritas commissioned independent technology market research specialist Vanson Bourne to undertake the research upon which this report is based.

A total of **900** business decision makers were interviewed in **February** and **March 2017** across the US, the UK, France, Germany, Australia, Singapore, Japan and the Republic of Korea. The respondents were from organizations with at least **1,000** employees, and could be from any sector. To qualify for the research, respondents had to be from organizations which do at least some business within the EU.

Interviews were conducted online using a rigorous multi-level screening process to ensure that only suitable candidates had the opportunity to participate.

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