

# State of Microsoft 365

Migration, Modernization, and Security in 2021

## THE EXECUTIVE SUMMARY



ShareGate:

The modern workplace and the tools required for it—especially from an IT administration standpoint—have always evolved at a fast pace. But the events of 2020 required organizations to adapt to new challenges at record speeds, as employees everywhere transitioned to new methods of virtual collaboration and distributed work. It's been a year of digital resilience—and Microsoft's cloud-based collaboration technology in Microsoft 365, has played a critical role.

With so many changes and challenges, the ShareGate team wanted to find out how the Microsoft community and our own users responded to the events of the past year. We also sought a better understanding of how the industry needs to move forward. The result is our first annual benchmark report: ShareGate's State of Microsoft 365: Migration, Modernization, and Security in 2021.

Offering insights backed by data, industry surveys, and expert interviews with Microsoft MVPs, the 2021 report identifies the emerging trends you'll need to know about so you can understand, and adapt to, the current state of the IT industry and how Microsoft 365 fits within your future.

**ShareGate:**

In this report, we look at SharePoint and Microsoft 365 migration and content management trends, and how COVID-19 has accelerated modernization projects. We consider the meteoric growth of Microsoft Teams during the pandemic, and its impacts on IT management and user collaboration. We examine the increasing shift toward IT self-service, how the security landscape is evolving in the context of remote work, and more.

The report also incorporates the latest industry predictions around distributed work—a trend which is expected to continue through 2021 and beyond. Given the new reality of distributed teams, we also outline what makes for a successful, scalable, and secure Microsoft 365 workplace—both today, and into the future.

**I really think there's something in [this report] for everybody!**



**Andrew Connell**

Microsoft MVP and Microsoft Cloud show podcast co-host

# The highlights

ShareGate's State of Microsoft 365 report highlights the latest Microsoft cloud computing trends, with a focus on migration, modernization, and security in Microsoft 365.

The following are some of our key findings.

# Companies are increasingly migrating to cloud-based Microsoft 365 environments

The number of ShareGate Desktop users performing on-premises SharePoint upgrades **decreased by 19.7%** in 2020

On-premises operations **decreased by 60.63%**

Operations to migrate from on-premises to the cloud **increased by 37.2%**

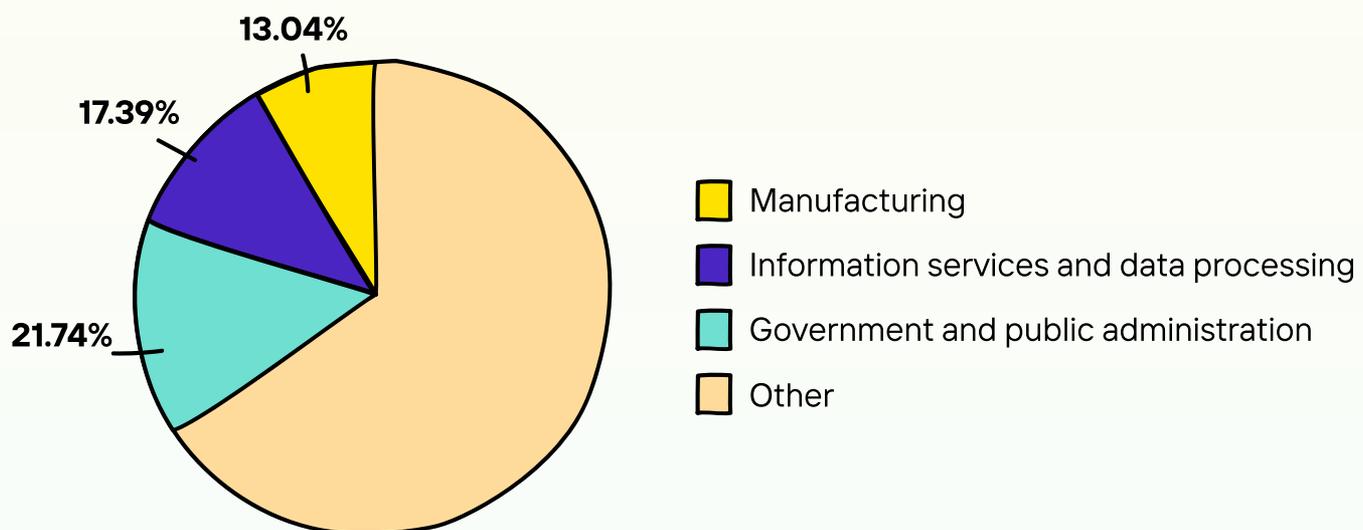
Cloud-based operations **jumped by 50.1%**

Cloud-to-cloud migrations **increased by 67.9%** and included the transfer of 144% more terabytes of data in 2020 versus 2019

# SharePoint on-prem remains the preferred solution for certain industries

**16.1% of IT professionals** plan to upgrade to a newer version of SharePoint on-prem in 2021

Of that group, the top three industries include government and public administration (21.74%), information services and data processing (17.39%), and manufacturing (13.04%)

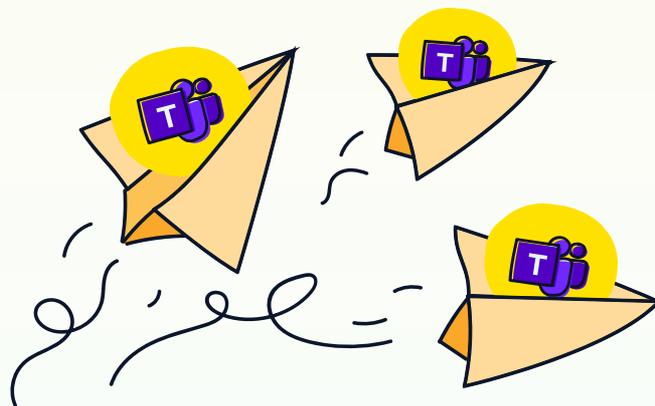


# COVID-19 prompted companies to accelerate migration projects

**57.3% of organizations** completed a SharePoint or Microsoft 365 migration in 2020

Of that group, **83.6%** said their migration project either proceeded on schedule or was accelerated by the COVID-19 pandemic by anything from one month to more than a year

Nearly **60% of organizations** migrated SharePoint or Teams content, or a combination of both, within the same tenant in 2020

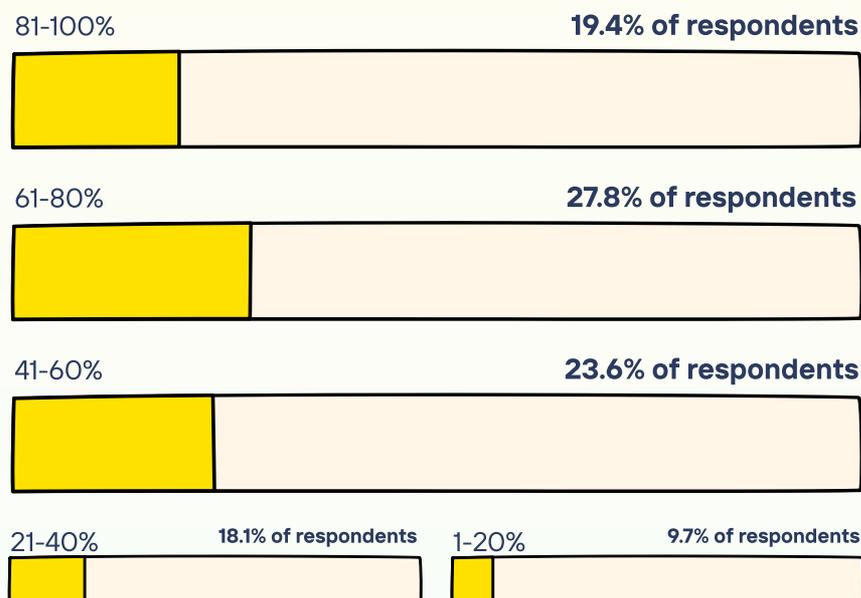


# Distributed work is expected to continue in 2021 and beyond

**74% of organizations** transitioned almost their entire workforce to distributed/remote work in the past 12 months

**70%** expect their workforce to continue working remotely through 2021

What percentage of your workforce is expected to work remotely through the end of 2021?\*



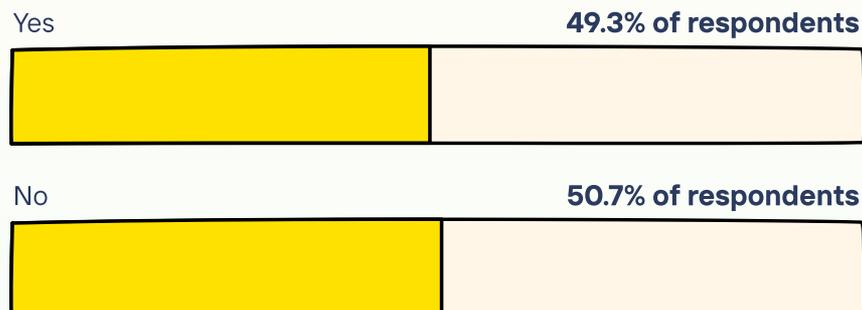
\*According to respondents who answered a question about SharePoint and Microsoft 365 modernization in a survey conducted in the first quarter of 2021.

# Companies are adopting Microsoft's modern architecture faster to support distributed work

**92.8% of IT professionals** pushed prior modernization plans ahead of schedule by a matter of days, weeks, or months due to COVID-19

As of February 2021, **43.2% of organizations** who didn't have a plan to "modernize" pre-COVID now have a plan to become more modern

Thinking back 1 year ago, did you have a fully scoped plan in place to move to "modern" at the start of 2020?\*



\*According to respondents who answered a question about SharePoint and Microsoft 365 modernization in a survey conducted in the first quarter of 2021.

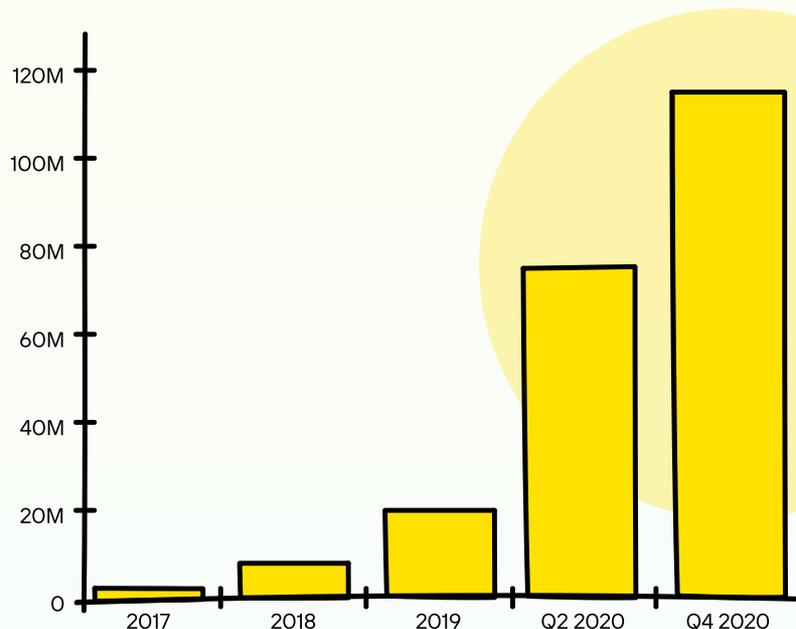
# MS Teams is now integral to how we work

Teams reached **115 million daily active** users by October 2020, a **475% increase** since November 2019

In just 6 months (since the feature launch in May 2020), ShareGate Desktop users **executed over 25,000 Teams migrations**

Within those Teams migrations, **users copied 85,000+ channels and 60,000+ teams**

Microsoft Teams Daily Active Users

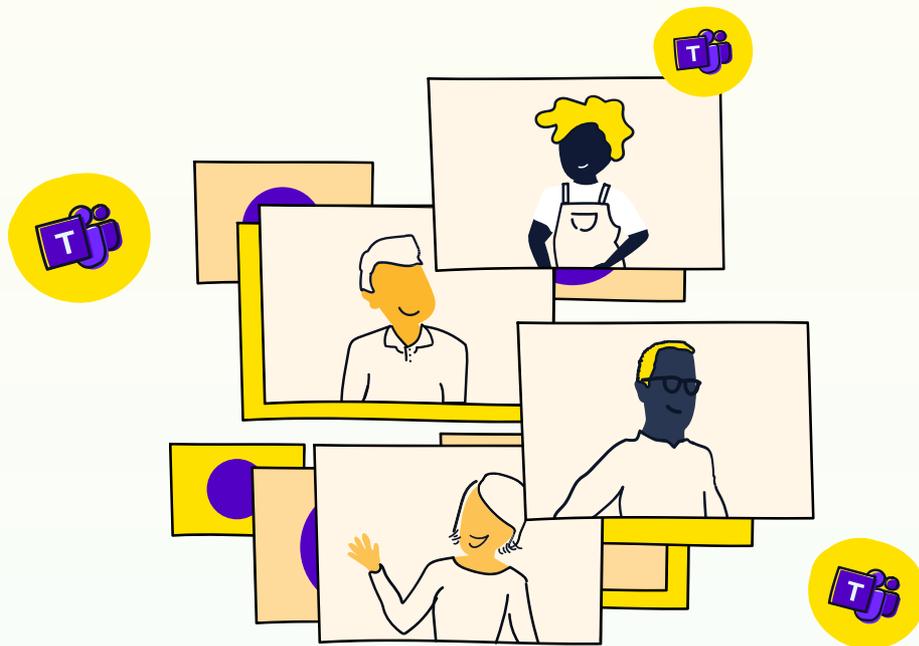


\*Source: <https://www.businessofapps.com/data/microsoft-teams-statistics/#MicrosoftTeamsusers>

# Microsoft Teams is a top driver to adopt Microsoft 365's modern architecture

**43.4% of IT professionals** cited Microsoft Teams deployment as the top motivator to move to modern Microsoft architecture

At **20.8%**, the second top driver for modernization was "seamless/improved integration" with Power Platform apps (including Power Apps, Power Automate, and Power Virtual Agents)



# While the deployment of new M365 tools continues to rise, end-user training is lagging

**43.1% of IT teams** had insufficient time to train employees on new tools/processes in 2020

Regarding Teams training specifically, only **19%** provided employees with official training that included extensive training material and activities

Did you have sufficient time to train people on new tools/processes?\*



\*According to respondents who answered a question about SharePoint and Microsoft 365 modernization in a survey conducted in the first quarter of 2021.

# External sharing is growing exponentially, which presents more security risks

**67.2% of organizations** have external sharing enabled in their Microsoft 365 environment

**64.1%** use a SharePoint external sharing setting to verify users

**25.6%** do not require any user verification or sign-in to access shared files

While **41% of IT teams** have a process in place to review/audit externally shared links, 59% do not

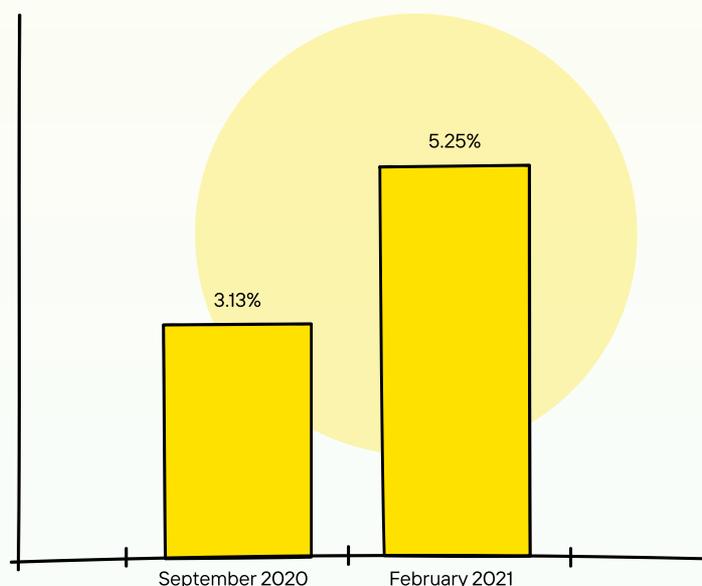
Zero Trust is a business priority, with **86.2% of organizations** having enabled multi-factor authentication (MFA) in their organization

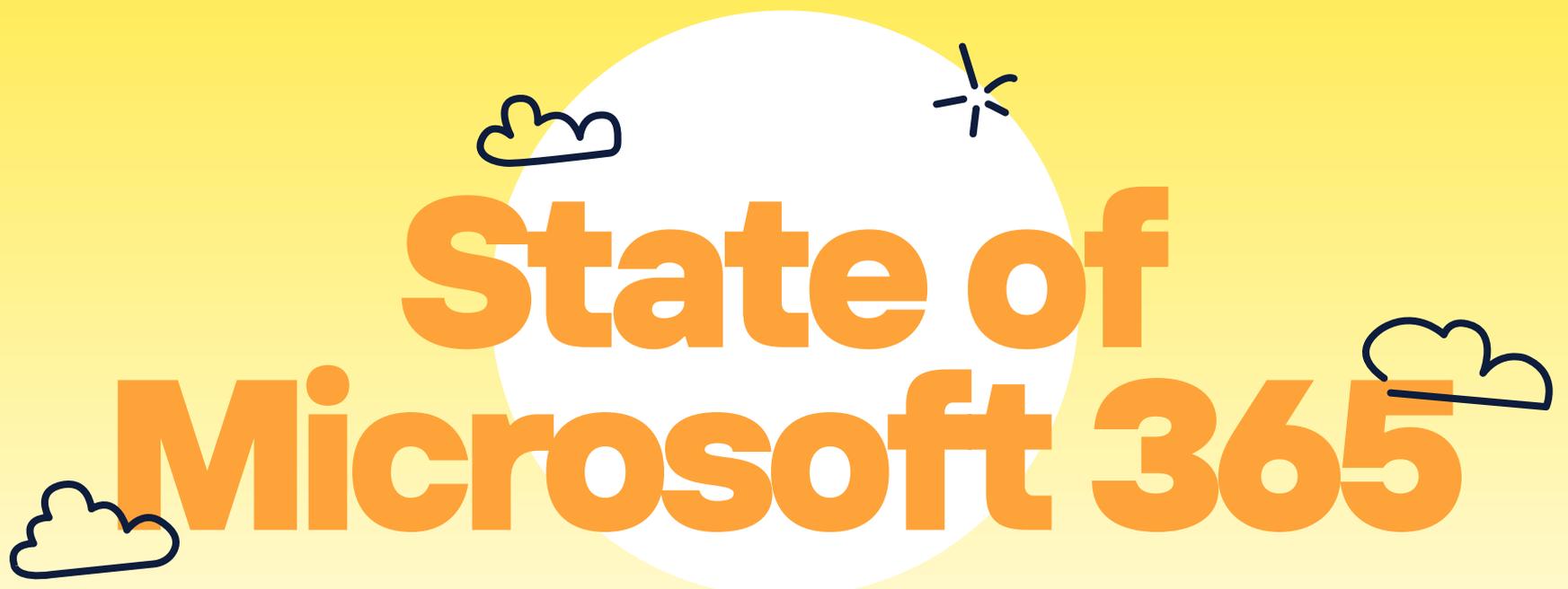
# IT teams are embracing a self-service model with their users

**61.4% of organizations** have some form of self-service functionality enabled in Microsoft 365, and 84.4% say that doing so saves their IT teams time and money

Among ShareGate Apricot users, the proportion of entrusted groups (a self-serve feature in the app) **increased by 67.55%** from September 2020 to February 2021

Entrusted groups from September 2020 to February 2021





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