

**WHITEPAPER**

# Rethinking Data Rooms Using Microsoft 365 and Govern 365

Use Govern 365 to make your Microsoft workspace  
as a Data Room

## INTRODUCTION

# Revolutionizing Secure Content Sharing

While working with large enterprise customers across various industries such as Semi-conductor, Medical devices, Oil and Gas, Legal firms, Private Equity firms, etc., we received several requests from organizations to provide secure repositories for sharing content internally and externally using Microsoft 365 without the need to purchase additional products that do not integrate with Microsoft 365 storage. Currently, these customers are keeping sensitive content in external third-party cloud storage repositories that are secured with proprietary vendor technologies, and which do not offer enterprise-grade encryption, where the vendor maintains blanket content access by virtue of holding the encryption key.

These inquiries and conversations formed the basis for this whitepaper in addition to being the inspiration for the creation of Govern 365's protection capabilities. As we did more research, we realized that the concept of Data Rooms has long existed but remained quite limited in use and reach. We concluded that it was high time to rethink the Data Room and its future role in modern cloud collaboration.



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Phone: +1 877 638 9683 | Email: [sales@govern365.com](mailto:sales@govern365.com)

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**BACKGROUND**

# The Growing Demand for Data Rooms in a Data-Driven, Security-Conscious World

A Data Room is a centralized information storage space available on-premises or in the cloud, for sharing sensitive documents and information with customers, suppliers, and other business partners in a secure container.

The Data Room market is estimated to be at \$4.12B by 2027 according to a leading research firm Grand View Research Inc growing at the rate of 14.7%. The key drivers for this growth are:

- ✓ Rapidly increasing demand for robust and secured solutions across several investment firms and other financial institutions
- ✓ Role of Artificial Intelligence (AI) in identifying sensitive information
- ✓ The significantly increasing number of start-ups and mergers and acquisition activities across key emerging countries such as India and China
- ✓ Rising concerns over data security due to increased sophistication and number of attacks to steal enterprise data, coupled with stringent data protection regulations like General Data Protection Regulation (GDPR)
- ✓ A growing trend to share confidential documents with their vendors and internal employees anytime
- ✓ Enterprises of all sizes are seeking a Data Room-like solution
- ✓ Many functions in an organization are looking to share confidential information securely. These include Marketing and Sales, Legal and Compliance, Finance, Workforce Management, Engineering, Human Resources



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**BACKGROUND****THE GROWING DEMAND FOR DATA ROOMS IN A DATA-DRIVEN, SECURITY-CONSCIOUS WORLD****.Common scenarios where Data Rooms are used are:**

- ✓ Financial transfers
- ✓ Due diligence for mergers and acquisitions
- ✓ Fundraising
- ✓ Initial Public Offering (IPO)
- ✓ Strategic partnerships
- ✓ Inspections
- ✓ Board communications
- ✓ Sensitive data used in client engagements
- ✓ Collaboration across complex and distributed supply chains



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**LIMITATIONS**

# Key Issues with Data Room Solutions Currently Available in the Market

While the current Data Room solutions serve the purpose of securing files, they were primarily focused on external sharing use cases. Organizations today need a similar capability internally in their organizations. The current Data Room offerings include limitations that constitute barriers to organization-wide adoption. For Microsoft 365 customers and their users, creating a Data Room should be as easy as creating a secure SharePoint site or Microsoft Team.

The current solutions have the following limitations:

## 1 Leverages redundant proprietary third-party encryption technologies

Current Data Room solutions use redundant proprietary third-party technologies for Digital Rights Management and Content Management. For customers on Microsoft 365 E3 or above, Microsoft Information Protection can and should be leveraged by any Data Room solution. This ensures the solution is properly integrated with the organization's security stack and increases overall lifetime Microsoft 365 deployment ROI.

## 2 Leverages third-party cloud storage repositories

Current Data Room solutions create a document repository outside of your organization's security perimeter, thus creating additional security and content management overhead. Organizations have worked hard to shift away from their Dropbox and Box repositories and migrate them to Microsoft 365 and should be able to create a Data Room in their Microsoft 365 environment while leveraging its in-built platform enterprise-grade security, compliance disaster recovery, and geo-redundancy capabilities.



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**LIMITATIONS****KEY ISSUES WITH DATA ROOM SOLUTIONS  
CURRENTLY AVAILABLE IN THE MARKET****3 Leverage independent identity management systems**

Often users must maintain separate identity/credentials for the Data Room rather than reusing their organizationally controlled identities (in Active Directory/Okta/Ping) to single sign-on into Data Rooms. Separate identities increase the possibility of compromise and defeat safeguards put in place for enforcing strong authentication and conditional access.

**4 Leverage shared service encryption keys**

The encryption keys used to protect content remain held by the Data Room vendor, without an option to generate or hold your own keys. This exposes your sensitive data to insider risk or threats against their service by both malicious state and non-state actors who may exfiltrate your sensitive data as part of a larger attack.

**5 Not integrated with organization's security stack**

Current Data Room solutions do not leverage enterprise Data Loss Prevention (DLP) policies and Cloud Access Security Broker (CASB) policies to augment DRM security. These capabilities allow applying access and session controls in real-time wherever the users are located and regardless of the device they are using.



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**LIMITATIONS****KEY ISSUES WITH DATA ROOM SOLUTIONS  
CURRENTLY AVAILABLE IN THE MARKET****6 Lack of interoperability with Microsoft 365**

Most Data Room solutions are not tightly integrated with Microsoft 365 and are unable to maximize the use of collaboration, document management, and search features of Microsoft 365. This results in an inherent duplication of both the data itself as well as the lifetime information risk. Users still must use the age-old method of working first in their internal Microsoft 365 environment and then upload the file to an outside Data Room solution to be able to share with other members internal or external. If they need to make changes to the file, they must download it on their machine, make the changes and then upload it back to the Data Room. If these solutions were using Microsoft 365, users will naturally be using the co-authoring and other features thereby increasing productivity and reducing the need to download/upload files. Plug-ins to enforce rights management are built into standard Microsoft Office and Adobe Acrobat apps with no additional software to install.

**7 Expensive and complicated pricing**

Current Data Room solutions have different kinds of pricing such as user-based, storage-based, print-based. If you are considering Data Rooms just for special uses cases then the pricing may work but if you expand the use case to include many other scenarios where Data Rooms can be used to protect various types of content from business processes in organizations, Data Rooms can quickly become cost-prohibitive. Using your existing Microsoft 365 subscription removes artificial limits on the number of Data Room repositories, storage size, or the number of documents stored.

**8 Complicated Content Lifecycle Management**

Since the repositories are external to the organizations, proper application and compliance with organizational content lifecycle and retention policies are cumbersome and difficult, making it often impossible to keep them in sync with changing organization policies.



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**LIMITATIONS****KEY ISSUES WITH DATA ROOM SOLUTIONS  
CURRENTLY AVAILABLE IN THE MARKET****9 Unable to manage supplier tiers for secure access**

Organizations often need to share secure content with their main tier-1 business partners who may be working with other sub-tier supply vendor partners. Current Data Room solutions make it very difficult to secure and provide access easily to sub-tier vendor partners, thereby hindering productivity. Users end up using emails to share files and reclassifying them to lower protection levels, thereby making them less secure

**10 Lack of Auto-classification of content**

Current Data Room solutions do include auto-classification of content based on a unified enterprise keyword repository. It is left to the user and the container to apply the required protection, manually.

**11 Limited Content Type Support**

Current Data Room solutions are limited to supporting content in the form of files only. In today's modern workplace, content has many forms such as files, chat, video, audio, PDFs, and engineering drawings.

**12 Lack of Alerts, Notifications, and Audit Trail**

Current Data Room solutions provide a simple auditing mechanism that is limited to the owner of the Data Room. Today's organizations demand alerting and audit trails integrated with their Security Operations Center (SOC) solutions.



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## THE PRODUCT

# What is Govern 365?

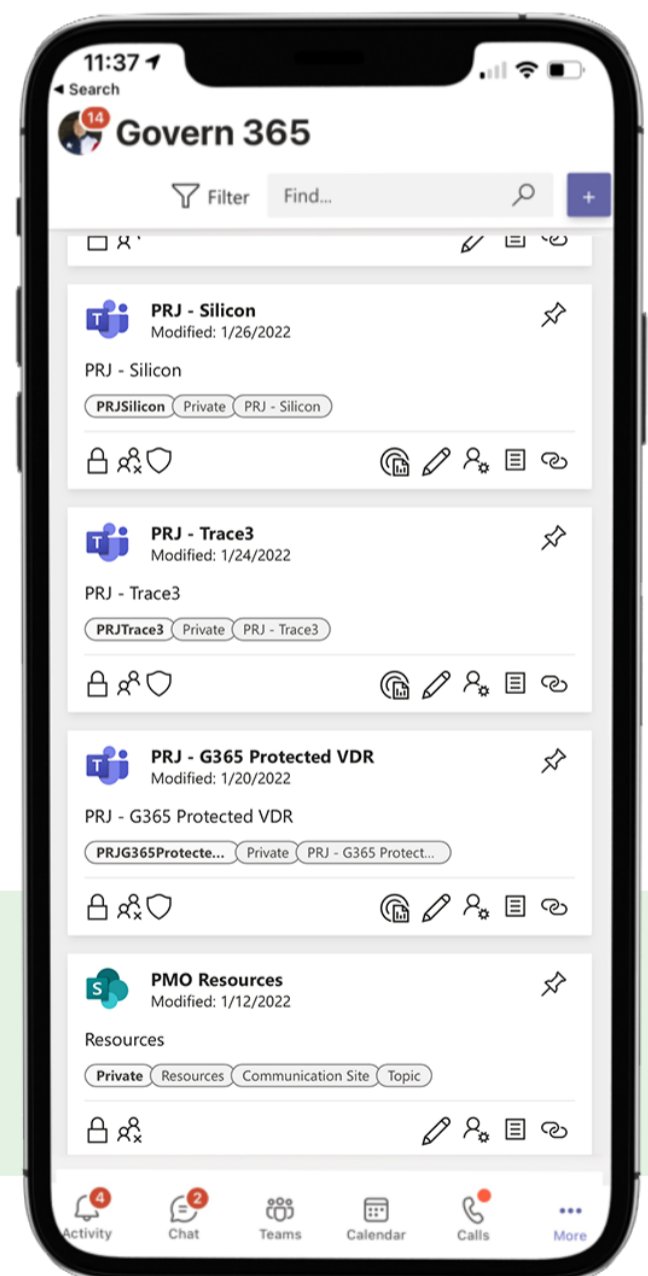
Govern 365 was built for Microsoft 365 users, with the following key pillars:

- ✓ Protection
- ✓ Compliance
- ✓ Experience

For organizations using Microsoft 365, Govern 365 provides an automated & frictionless solution to protect your company's sensitive information, and limit litigation & compliance exposure, without burdening productivity.

## The key features of Govern 365 are:

- ✓ Built for Microsoft Teams and the modern web
- ✓ Self-Service Provisioning
- ✓ Automatic Content Protection
- ✓ Workspace Manager
- ✓ Advanced Content Protection
- ✓ Deep Content Inventory
- ✓ Mechanized Content Lifecycle



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**BENEFITS**

# Introducing Data Room using Govern 365

Using Govern 365, organizations can create Data Rooms in their own Microsoft 365 tenant. This provides several benefits to organizations:

## 1 Data stored in their own repository

Organizations are no longer required to maintain another repository outside of their main M365 data repository. With Govern 365, your data never leaves the boundaries of your own Microsoft 365 tenant. This allows organizations to apply standard security and compliance rules that they already use for content in their organizations on Microsoft 365.

## 2 Use Enterprise-grade security technologies

Since most organizations own Microsoft 365, they can leverage the robust security technologies provided along with Microsoft 365 rather than relying on smaller vendors for Digital Rights Management (DRM) and other security technologies. You also have the option to create your own encryption keys, securing your sensitive content from access by anyone including Microsoft. User identities are managed by Azure Active Directory which facilitates guest user signup and recertification and conditional access policies to restrict compromised identities. This also increases the ROI for your existing Microsoft 365 investment.

## 3 Improved productivity that comes with Microsoft 365

Users can take advantage of co-authoring, search, and other productivity benefits by the repository being in Microsoft 365, in addition to improved collaboration using meeting and chat features.



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**BENEFITS****INTRODUCING DATA ROOM USING GOVERN 365****4 Able to protect different types of content**

By using Microsoft 365, organizations can protect different types of content like files, chat, video, audio, and drawings.

**5 Unlimited # of files and Data Room support**

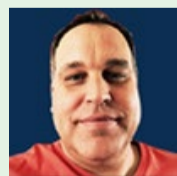
Users can take advantage of their Microsoft 365 subscriptions and create an unlimited number of files and Data Rooms.

**6 Use of Data Rooms go beyond the traditional uses**

By using their native Microsoft 365 tenants, organizations can leverage Data Rooms beyond the traditional uses. They can now be used to protect any type of content in a Data Room inside their organizations.



Netwoven's Govern 365 is a comprehensive solution that has helped us apply governance policies to our Office 365 environment. It has helped ensure the right balance of administrative control and providing our users with the optimal empowerment. We no longer have our IT team manually processing requests for new SharePoint Sites and are especially saving a significant amount of time creating sites from our more complicated templates."



**Brett Cox**

Collaboration Specialist,



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**COMPARISON**

Features	Traditional Data Rooms	Govern 365 Based Data Rooms
Repository	Proprietary (Third-party cloud)	Organization's Microsoft 365
Co-authoring	Not available	Available
Search	Simple	Advanced
Integration with MS Office	Simple	Tight Integration
Content Duplication	Yes	No
# of Files	Fee Based	Unlimited
# of Data Rooms	Limited	Unlimited
Watermarking	Available	Available
User Management	Available	Available
Integration with other Organization Security Rules	No	Integrates with organization's DLP and Endpoint Software
Use of Enterprise Defined Protection Scheme	No	Yes
External Collaboration	Yes	Yes
Ability to use Chat	No	Yes
Ability to protect Chat	No	Yes
Use of Data Rooms for Internal use	Limited	Yes

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Want to know more about how Govern 365 can support your business? Contact us today for a personalized demo or consultation.

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