

CLOUD SECURITY: A NECESSARY COMPONENT IN DIGITAL TRANSITION PLANNING

Team8 — Global venture group
05/07/2021

Cloud Security

Buoyed by tailwinds from the pandemic and remote work, cloud adoption is on the rise, and enterprise cloud migrations are expanding from fringe applications and experiments to business-critical initiatives. As such, security capabilities are evolving to allow enterprises to reap the benefits of moving to the cloud while retaining control over their security posture, data protection programs and application integrity.

Drivers

2020 will go down as a pivotal year for cloud adoption as businesses sought to cut costs, retain flexibility and throttle demand due to dislocation caused by the pandemic. In fact, cloud security is the number one investment area for 2021, according to the [Team8 2021 CISO Survey](#), followed by security automation and identity and access management. In retrospect, we expect that 2020 will be remembered not only as the year when **cloud became the default**, but also when the dynamics governing enterprise networks and workload deployments changed forever.

In a world where **containers**¹ offer the capability to combine hybrid, multi-cloud and on-premise computing and storage strategies, security tools and techniques will need to evolve to reduce **complexity** created by a multitude of new offerings within and beyond the enterprise perimeter. For example, workloads moving between different cloud environments to optimize for speed, scalability, cost and compliance have created a new “shared responsibility” model between the enterprise and its different cloud providers. If not managed properly, this model could open the door for threat actors to identify and leverage misconfigurations as a way to gain access.

Impact

Cloud is becoming so complex it should be perceived as an operating system. Many of today’s security solutions are just modern-day equivalents of endpoint security and other on-premise techniques that had limited effectiveness. Attacks are not only still happening, they are being amplified by the pervasiveness, speed and connectedness of the cloud. Instead of applying legacy solutions to the cloud, organizations need security solutions that are architected for the cloud, combining control and integrity with scalability and agility.

Solutions

Cloud workload protection platform (CWPP), cloud security posture management (CSPM), container security, cloud infrastructure entitlement management, cloud access security broker (CASB), extended detection and response (XDR).

Perspectives:

- **Defender’s Perspective** – The next big thing with regard to cloud security is automated remediation. Most cloud vulnerabilities can be automatically fixed rather than fixing them one by one, by hand. When you describe things with code, they can be easily applied to multiple instances. This characteristic offers an opportunity to automatically remediate these vulnerabilities as opposed to waiting for DevOps to do it.” – Jonathan Jaffe, CISO, Lemonade
- **Team8’s Attacker Perspective** – The complexity of an environment usually plays into the hands of the attacker, and it would be hard to find infrastructure more complex than the modern cloud. It is a mesh of services, identities, logs, networking, compute and storage. For attackers, it’s the Wild West.

When moving to the cloud, many enterprises lose the visibility, understanding and control they had when their infrastructure was on-premise. This is a new playground for attackers, especially since they have plenty of opportunities for target practice on cloud networks.

In our next blog post, we will cover the Security of Things. The full series can be accessed [here](#).

Authors who have contributed to this blog post:

Bob Blakey, Operating Partner at Team8.

¹A container is a standard unit of software that packages up code and all its dependencies so the application runs quickly and reliably from one computing environment to another.

Important Risks Related to this Article

The views expressed in this blog post are those of Team8. Any reference to “we” should be considered the view of Team8 and not necessarily those of WisdomTree Asset Management.

Team8 is a global venture group with deep domain expertise that creates companies and invests in companies specializing in enterprise technology, cybersecurity and fintech. Leveraging an in-house, multidisciplinary team of company builders integrated with a dedicated community of C-level executives and thought leaders, Team8’s model is designed to outline big problems, ideate solutions and help accelerate success through technology, market fit and talent acquisition. For further information, visit www.team8.vc.

*This material is prepared by WisdomTree and its affiliates and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are as of the date of production and may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by WisdomTree, nor any affiliate, nor any of their officers, employees or agents. Reliance upon information in this material is at the sole discretion of the reader. **Past performance is not a reliable indicator of future performance.***

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

Related Blogs

+ [Cybersecurity: The Megatrend of the 2020s](#)

Related Funds

+ [WisdomTree Cybersecurity Fund](#)

+ [WisdomTree Cloud Computing Fund](#)

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

IMPORTANT INFORMATION

U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

There are risks involved with investing, including possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, currency, fixed income and alternative investments include additional risks. Please see prospectus for discussion of risks.

Past performance is not indicative of future results. This material contains the opinions of the author, which are subject to change, and should not to be considered or interpreted as a recommendation to participate in any particular trading strategy, or deemed to be an offer or sale of any investment product and it should not be relied on as such. There is no guarantee that any strategies discussed will work under all market conditions. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This material should not be relied upon as research or investment advice regarding any security in particular. The user of this information assumes the entire risk of any use made of the information provided herein. Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax or legal advice. Investors seeking tax or legal advice should consult their tax or legal advisor. Unless expressly stated otherwise the opinions, interpretations or findings expressed herein do not necessarily represent the views of WisdomTree or any of its affiliates.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or component of any financial instruments or products or indexes. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each entity involved in compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties. With respect to this information, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including loss profits) or any other damages (www.msci.com)

Jonathan Steinberg, Jeremy Schwartz, Rick Harper, Christopher Gannatti, Bradley Krom, Tripp Zimmerman, Michael Barrer, Anita Rausch, Kevin Flanagan, Brendan Loftus, Joseph Tenaglia, Jeff Weniger, Matt Wagner, Alejandro Saltiel, Ryan Krystopowicz, Kara Marciscano, Jianing Wu, Brian Manby and Scott Welch are registered representatives of Foreside Fund Services, LLC.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

You cannot invest directly in an index.