DRACOON

Press Report

Guarded by the Dragon, Protected by the Cocoon
The Regensburg-based IT-company has specialized on secure data transmission

(Translation, original by Andreas Kerscher)
Regensburg. "The data we have on file is just garbage." Marc Schieder says this with pride. He is Managing Director at the Regensburg-based IT-company Dracoon. Dracoon focuses on companies and facilities working with sensitive data – nearly all data in times of the General Data Protection Regulation. The company offers a solution with which this data can be exchanged worldwide. However, at the same time this data stays safe from outside access through encryption.

NSA-Whistleblower Edward Snowden and the 20-year-old that published addresses and mobile numbers from MPs proceeded in a similar way: "They logged onto the servers and simply took the data that lay there unencrypted", says Schieder. "With our solution that is not possible."

The principle works as follows: If a user uploads a file into the cloud – Dracoon's server, that is located in Germany just as is the whole infrastructure – it is encrypted. Even if a hacker manages to access the server, he will only find unreadable data garbage. Only if another authorized user downloads the encrypted file and decodes it with his password, it becomes usable again. "What's important: the password is never transferred to the server", Marc Schieder emphasizes. That way it cannot be intercepted by a hacker.
Every access is exactly protocolled by the system. If a file is changed, Dracoon automatically creates a backup. This way one can counter attack so-called "ransomware"– malware used by criminals to make files useless. For the reconstruction they usually demand a ransom. Dracoon puts a stop to this kind of scam. "One cannot destroy files anymore. They can be recreated with one click", says Schieder.
To guarantee the identity of users is one of the main focuses of Dracoon. Therefore, Dracoon recommends a multifactor authentication. "The same old topic: I have only one e-mail address and one password are a thing of the past", says Schieder. It is safer to have additional chipcards or randomly generated passwords, send per text message.

Study shows Dracoon as "leading company"
A study by the Information Security Services Group (ISG) Germany from 2018, showed Dracoon as one of the leading German companies in the field of data exchange. "Our software practically runs in every university hospital in Germany", says Schieder. The list of clients also includes the ski manufacturer Völkl, the yoghurt producer Ehrmann, the Town of Regensburg, the Bavarian Red Cross and the drug store chain Rossmann.

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Dracoon – the company name made up of Dragon and Cocoon – was founded as a spin-off of the company SSP Europe in 2017. Originally, services for internet security were provided from the base in Regensburg. Then, however, the focus shifted towards creating an own software, says Schieder: "We decided to sell or transfer all other business segments." Meanwhile, Dracoon has about 60 employees. The number nearly doubled in the last two years. In 2016, the predecessor firm reported an annual deficit of over half a million euro. Schieder does not want to state current numbers, however the balance is supposed to be developing positively: "We were able to greatly improve over the last few months."

A short while ago, the investor Bayrische Beteiligungsgesellschaft (BayBG) and further investors supported the company with "a high seven-digit figure", reported by the BayBG. Dracoon would like to use the money to keep on growing and to promote the brand on an international level. "We would like to become the standard for everything concerning data security and data exchange", says Schieder.

The growing awareness of IT-security and data protection is good for business. In addition to the Bundestag-hack, the new General Data Protection Regulation also supports this trend. "That was priceless marketing", says Schieder.

From e-mail program to security camera
Dracoon is set up as a platform. This means that the software can be combined with other software interfaces. On a technical as well as visual level it can be interlinked with the customer's programs from an e-mail program over a hospital diagnose software to the system of a security camera. "Therefore, we are well prepared for the internet of things", says Schieder. If, in the future, every fridge generates data, the market for secure data transmission will explode – a gold mine for companies that manage to establish themselves as a standard on the market.