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DATA & DANGER

It's less than a year until the General Data Protection Regulation (GDPR) comes into effect. And although it can mean fines of up to 4 per cent of turnover, most businesses are still not prepared. So how do companies not only get ready for this daunting legislation but embrace it for growth?

BIG DATA & BUSINESS TRANSFORMATION

Floris Blok Big data is driving business transformations: it's turning us from a maker of commodities – boilers – into a business offering a service: heat. How we gather big data is now secondary to bigger issues, such as how we do it lawfully, securely and in ways that create value for the end user and for us. The big change is not technical, it's cultural – moving the business from one focused on products and then finding a market, to a customer-focused one that looks to solve people's issues. Big data is disruptive to the business' DNA.

Hugo Russell The cultural shift in business created by big data is towards servitisation – providing the services around a product – is huge. But the challenge goes beyond technical, practical and legal; it is also ethical.

Jonathan Jardine The police are primarily about reaction – responses to events. In fact, the whole public sector invests vast amounts in reaction: hospitals, courts, prison officers and others. Now the police want to get 'upstream', towards

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STEVE WHITE

earlier interventions that stop crime escalation, using information to reshape behaviour and prevent bad things happening. As the police get better at behaviour prediction, they'll learn that many of the services they provide now don't actually add much value, don't prevent crime.

Steve White Most people have not got close to coming to terms with how much data is collected. For example, on a single Volvo commercial vehicle there can be 2,500 individual devices collecting data, yet they analyse less than 1 per cent.

AROUND THE TABLE

FLORIS BLOK

head of digital solutions, Baxi

NATASHA EDEN

director, Clearwater International

MATT JACKSON

partner, Emms Gilmore Liberson

JONATHAN JARDINE

chief executive, West Midlands Police Commissioner

ANDY JENKINS

operations director, Russell Scanlan

HUGO RUSSELL

project manager, Innovation Birmingham

STEVE WHITE

partner, CDI



ANDY JENKINS



FLORIS BLOK



HUGO RUSSELL

They hold reactive data that allows them, if there is a fault, to look across the entire fleet to see if that was a one-off or part of a pattern, and what the cause might be.

BIG DATA: ETHICS & CUSTOMER RELATIONS

Blok There's no moral problem with forecasting when a product is likely to fail, but predicting a person's behaviour is less clear. There is a dilemma in knowing too much about our customers and them resenting it. I have made it clear in my organisation that we do not control devices on behalf of the customer. We collect data from appliances and, depending on consent levels, go back to the customer with suggestions, say on how they use energy.

Matt Jackson The moral issue of how big data is used will become increasingly important. Service businesses like Uber rely entirely on it to function, to predict their busiest times and places so they have enough cars ready. But if you ask an individual whether they want Uber knowing exactly where they are at 1am on a Saturday, it'll be 'no', even though they want a car ready for them in five minutes.

White There is a danger in confusing how we collect data and how that collection is perceived. The difference between collecting data on the functioning of a device or a person's activities isn't that important if it's perceived that the end goal is trying to influence individual behaviour.

Blok It's not just business culture which is changing when it comes to data collection. Social media has led to huge changes in society, with people far more willing to share information, when they have the illusion of control.

Jardine There is a question facing the police: should it start buying commercial data to help reduce crime? It's not an issue the police have had to deal with yet, because they need to understand how the commercial world works, but it is something that will arise eventually.

THE IMPACT OF GDPR

Blok Any business starting now to prepare for GDPR is already too late.



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MATT JACKSON

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FLORIS BLOK

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HUGO RUSSELL

It does offer people greater choice about how data collected on them is used, but if they retract it, companies will become more resourceful in finding fresh sources of data to compensate for that loss. There will always be ways to gather more data.

Jenkins If the Information Commissioner discovers a business lacks proper processes, it will be hammered more severely than for an actual bad outcome. Having an audit trail to show compliance will be hugely important. Funding of the ICO (Information Commissioner's Office) has changed, and it sees fines as its primary form of income.

Jackson If you can show you've completed a privacy impact assessment, that's been reviewed and signed off by the board, when something goes wrong and the ICO comes knocking you can show you did your best to mitigate and had processes in place. The commissioner won't be pleased but it'll be a rap on the knuckles, rather than the fine you will get if you say "hadn't even thought about it".

Eden A lot of businesses are waiting for the first ICO fines, so they can see which bits of legislation concern them most, and focus on them.

Jenkins GDPR is coming in partly as a safety net because often we collect data for collecting's sake. GDPR will force businesses to ask themselves why they are collecting, what they hope to achieve and what the outcomes are. Business will have to adapt: individuals will have more rights to have personal data removed or object to ways it is used. GDPR is arriving soon, yet there are still major questions about how it will be applied to automated processes and when individuals' details are used as part of a mass. The risk businesses face in fines and penalties is increasing exponentially with GDPR, but most don't yet see it.

Jackson It's not just businesses at risk. A number of charities have been fined for 'prospect mining' – sharing and mining information on rich widows between themselves to try to get legacies in their wills.

Jenkins The dangers of GDPR go beyond cyber crime and deliberate misuse of data: there is also human fallibility. The second biggest source

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of insurance claims in cyber, behind ransomware, is mis-sent emails containing confidential information.

Eden We may see a form of corporate warfare emerging from this, where a disgruntled 'customer' makes a report to the ICO for not having their information removed, and that gets an investigation started.

Russell We need to stop looking at GDPR's fear factor. It's a chance for businesses to look at their systems and reconnect with customers. The sooner they do it, the better they will be. Rather than a marketing team being a source of biggest weakness, make them the customer's advocate.

PRIVACY BY DESIGN

Jackson One big change GDPR will bring to business, even more than people's right to be forgotten, is having to build 'privacy by design' into IT systems. That will be a statutory obligation, so every digital process a business undertakes will need issues of privacy, access,

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NATASHA EDEN

usage and security built in. GDPR forces the issue of data collection and IT security to board level rather than delegating responsibility to the IT or marketing department. The board can no longer just be aware of cyber and data issues: it will now be responsible for the whole of the business' systems are secure.

Blok Privacy by design will mean the moment you sign up a customer, you direct them to a privacy preference centre, so they can set their own levels. Rather than wait for the board, I got GDPR implemented by knocking on the chief executive's door and booking two hours to explain it. I need a budget to implement it.

BIG DATA, BETTER DATA

White GDPR will help with huge cleaning of old data. More than 99 per cent of all information gathered is never used. It can get ridiculous.

Eden For years, big FMCG (fast moving consumer goods) businesses

have done their marketing and product development on the basis of discovering everything they know about a customer, then throwing out products to meet that need.

But when you can throw 50 times as much information at an issue without clear objectives on what you are trying to deliver, you can drown in data. One of the issues big data creates is temptation; it can so easily be used for purposes for which it was never intended. Businesses might get people to sign statements on how their data will be used, and then try to get customers to change those statements because the business knows there's something even more valuable within.

Blok This is a golden marketing opportunity: to reconnect with each customer over individual privacy preferences and discover what they want.

Jackson Business needs to see GDPR as a huge opportunity. It's coming anyway, so embrace it.

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