

WHITE PAPER

GDPR: A catalyst for a secure and safer economy



Abstract

Hallways of businesses across the world, especially in Europe, are abuzz with the newly minted regulation — General Data Protection Regulation (GDPR). Much of the commentary on this new regulation is focused on the constraints, difficulties, fines, etc. it imposes on businesses. It is easy to take a short view of GDPR, since it is quite complex, and reading the fine print and making sense of it on a day-to-day basis can be quite a task. Having said that, if one takes a long view and looks out into the future, GDPR can be perceived as a sincere attempt to reconcile and rebalance how we treat, view, and use data in the new digital age. GDPR is clearly the way forward. In this paper, we will explore opportunities that GDPR will usher in and argue that the benefits outweigh the difficulties, and in the long term, organizations who have adopted GDPR, both in letter and in spirit (more of the former), will have a marked competitive advantage when compared to organizations who have not embraced GDPR.

Introduction

The central theme in GDPR permeating across all the articles and recitals is data privacy as a fundamental human right.⁽¹⁾ Let us pause and assimilate the magnificence of this concept. No other regulation treats data and data privacy with so much respect. GDPR is unique because of this fundamental assertion that data is now central to our way of life, and therefore, its treatment cannot be trivial or an afterthought. Whilst organizations have been strategizing and struggling to treat data as an enterprise asset, GDPR has become the harbinger of the fourth Industrial Revolution — the digital age — where data is the new oil, and where it is at, is the heart of 'Internet of me'. GDPR, in effect, lays down a wholesome and overarching framework on how organizations can harness the power and ubiquity of data.

How do things stack up?

Before we delve deep into how GDPR can be a flagship program for organizations to pave the path for a digital revolution, we need to acknowledge the teething problems that GDPR will raise for several organizations to be GDPR-compliant. These challenges will not be trivial. It is easier said than done to change the inner workings of an organization. Organizational inertia is a formidable force, and taming that force and course correctly will need the management's time and focus. There is no denying the fact that there are significant financial implications for the businesses, and it raises the stakes markedly. And hence, not surprisingly, the commentary emanating from various avenues on GDPR has been remarkably focused on the regulation and compliance part of it, and much less on the opportunities that GDPR presents to businesses.

⁽¹⁾Recital 2 of GDPR

But then, the prevalent model of data usage and treatment is not holistic and is not focused on the right way of handling this asset, but on a narrow vision of collecting data and then curating it without an overall harmonious strategy. The basic question of the times that we live in then comes down to addressing this question of how

we handle this — do we continue forward on the path of collecting and using data by whatever means possible? The resounding answer to this is an emphatic 'no'.

GDPR is an enabler to approach things better — to do things right, and to be right.

In summary, we are in the camp that advocates taking a strategic view of GDPR and not being

bogged down by penalties and fines as a more prudent approach. There is potential to harness this as an opportunity to transform your data to be a competitive advantage. However, to gain this benefit, an organization will need to take a more strategic approach to both privacy and data management than many have ever achieved before.



So where can these advantages come from?

Harmonization:

EU society, businesses, and organizations operate in a myriad of ways. Multinationals operating across the length and breadth of the European Union had to cater to a multitude of data privacy rules and regulations.⁽²⁾ The operating expense involved in this was enormous, not to mention the technical complexities and challenges.

Now that GDPR will apply to the entire EU, it will provide a much-needed uniformity for multinationals who operate across the geography. While GDPR has provisions for member states to enact specific laws in their jurisdiction, by and large, the basics of the new rules will apply across territories and bring a semblance of uniformity and continuity. And consequently, there will be opportunities to harmonize operations and streamline many such costs.

To summarize, organizations will benefit significantly from having to adhere to one regulation rather than a multitude of nation-specific rules.

⁽²⁾Recital 9 of GDPR



Risk-based approach:

One of the most overlooked and underappreciated features of GDPR is the risk-based approach that the regulation introduces.

⁽³⁾The regulation does not prescribe a one-size-fits-all model for all organizations. This approach if taken, would weaken the entire proposition. This modulated and proportionate response that is entrenched in the GDPR framework is one of the strengths of GDPR, and the organizations embarking on the path to GDPR are well-advised to keep this feature in mind.

In summary, GDPR gives a wide latitude to the organizations to craft their implementation plan commensurate with the risks associated in their operations that come under the purview of GDPR.

Data efficiency:

For data analytics to work to its true potential, we need clean data, which is up-to-date, accurate, and relevant. Clean data means clearer profits. GDPR clearly advocates that organizations craft a comprehensive data strategy involving an end-to-end data assessment and consumption. This would enable the organizations to leverage and maximize their data potential through timely customer interactions, reduced storage costs, less wasteful marketing campaigns, lower security risk, and lower likelihood of regulatory intervention.

In summary, GDPR reinforces what has been a best-kept secret in the industry, that data holds the key to competitive advantage, and treating data strategically will be a key differentiator between being hugely successful and just scratching the surface.

Customer engagement and establishing trust:

The data world is, by its very nature, opaque. There is always a lingering doubt in the minds of the consumers on how their personal data is permeating in the digital world. The recent breaches and hacks of the major players and the 'dark net' phenomenon, where your data is for sale, make the average Joe highly uncomfortable. Hence, embracing and internalizing GDPR into your organization's ethos will provide a prize that has, to date, eluded many — trust.

When a user 'opts-in', he/she is consciously participating in the process rather than being a passive participant. Permission equals engagement. And engagement is the prized goal.

In summary, GDPR provides a mechanism for organizations to foster an environment in which their customer's trust is reflected, not just in some warm hues, but also in their balance sheets.

⁽³⁾Recital 19: of GDPR



Minimize and handle data security and violation lawsuits: In this digitally enabled world, data is all-pervasive. It is driving the business. Unimaginable quantities and varieties of data are moving to and fro in the digital world. In this highly fungible ecosystem, it is a matter of fact that personal data and sensitive information is collected, maybe curated, and then made available for consumption. There are very few

organizations who can confidently state that they have a complete handle on all the data elements in their organization. Data risk management and accountability has not been proportionate to the asset class that data belongs to. Far too often, it has been trivialized and not given its due importance. This needs to be addressed. If the citizens of the world cannot trust that their information

will not be abused or misused, they will not participate in the digital economy, and this will have catastrophic effects. GDPR is heavily focused on data security and privacy, which is its central philosophy. Organizations can, in fact, ring-fence themselves by adopting GDPR and complying with it in both letter and spirit.

Conclusion

While there is a school of thought that perceives and positions GDPR at a regulatory level in organizations to invest in, ensuring that they handle data appropriately and carefully, we believe that the notion of the GDPR rules being a hindrance to digitization and a competitive disadvantage is not well-founded. The GDPR process will make companies review their data management policies and processes, and evaluate if their data organization is aligned to the digital world and the new-age economy. Adopting and assimilating GDPR in the ethos of your organization will be a catalyst for taking the necessary steps to build strong digital capabilities and creating a competitive advantage.

Infosys — your collaborator in the GDPR journey

Translating GDPR into an opportunity requires a heightened sense of purpose and drive. This initiative will have to be driven from the highest levels of the organization coupled with a well-orchestrated road map and a change management plan. When we have engaged with our customers on this topic, we have often found that the approach has been fragmented and siloed with the more mature units of the organization driving the adoption. Another observation is related to the dilution of the GDPR program by subsuming this into an ongoing initiative.

We do not subscribe to these approaches as they look at the scenario in bits and pieces, which might lead to a solution that does not meet the GDPR needs. Our position is that a better approach for success would be an integrated and harmonized implementation model across the enterprise. Infosys has developed solution frameworks, toolkits, questionnaires, and accelerators to facilitate the GDPR discovery process. Infosys will be your trusted partner in this initiative and we are well-positioned to deliver on this journey.

Connect with our experts at gdprcompliance@infosys.com to know more about GDPR, its impact on your business and how you can stay secure.

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