WEBINAR

New business models for data-driven services

1 March 2024
10.00 — 11.00 CET
Rules of the game

The webinar will be recorded

For questions, please use the ClickMeeting chat.

Please reserve 3 min after the webinar to help us improve by filling in our feedback form.
Introduction

Flora Kopelou
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Publications Office of the EU

Anna Pizzamiglio
Research Associate and Project Manager at The Lisbon Council

Enrico Ferro
Head of Strategic Advisory @ LINKS Founda
### Agenda

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New business models for data-driven services and the role of open data

Anna Pizzamiglio

Friday, 01 March 2024
10h00 - 11h00 CET
Goals

- Provide an introduction to business models for data-driven public services.

- Highlight the key role of open data in creating public value.

- Highlight the importance of a business-driven approach to open data utilisation.

- Explore different business models and opportunities for services based on public data resources.

- Obtain input on how data.europa.eu can support the development of a sustainable open data ecosystem.
Introduction to business models for data-driven services based on open data

Highlights of discussion paper “New business models for data-driven services”

What is happening in YOUR organisations? (mini-survey)


Webinar - New business models for data-driven services
About you

[Pie chart showing distribution of responses by sector: 31% Academia; 26% EU institution; 15% Freelance; 12% International organisation; 6% Journalism; 5% National/regional public sector; 4% NGO; 1% Private sector.]

Webinar - New business models for data-driven services
The importance of open data

• Open data presents a remarkable opportunity for corporations, SMEs, and startups.

• Enhances transparency
• Fuels innovation
• Stimulates economic growth
• Empowers citizens
• Enhances efficiency and effectiveness of public services
• Encourages data sharing and collaboration
Has your organisation ever employed any business models that has effectively integrated open data into their value proposition?

Webinar - New business models for data-driven services
Had you given thought to business models for data-driven services prior to this webinar?
Has your organisation undertaken activities to assess possible business models for data-driven services?

Yes, through data licensing: Public sector organisations can licence their data to other organisations for commercial or non-commercial use, generating revenue through licensing fees.

Yes, through data brokerage: Public sector organisations can act as intermediaries between data providers and data users, facilitating the exchange of data and generating revenue through transaction fees or commissions.

Yes, through data analytics: Public sector organisations can use open data to develop data analytics services, providing insights and recommendations to other organisations or to the public.

Yes, through data-driven products and services: Public sector organisations can develop new products and services based on open data, such as mobile apps, dashboards, or data visualisations.

Yes, through data sharing partnerships: Public sector organisations can partner with other organisations to share data and jointly develop new products and services.

No
Open data business models

Enrico Ferro Ph.D.
Head of Strategic Advisory @ LINKS Foundation

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Overtheblock.io
Framing the Open Data Challenge

• Data has risen to the top of national and global policy agendas.

• It has the potential to create significant value for society and the economy

• Yet, the reuse of open data in Europe is still in its infancy

• It is key to identify relevant lessons learnt and principles for private and public actors

Access the Study: bit.ly/NBMpaper
Sizing the Opportunity

• Economic impact of EU Open Data estimated between 200 and 300+ billion\textsuperscript{1}

• Heterogeneous commercial interest in different data sets (geographical, weather, economic and mobility)\textsuperscript{2}

• Value may be unlocked across a number of domains\textsuperscript{3}

\textit{Sources:} \textsuperscript{1}Capgemini Invent (2020), \textsuperscript{2}Capgemini. (2015), \textsuperscript{3}McKinsey & Company (2013)
Open Data Value Chain


Access the Study: bit.ly/NBMpaper
Understanding Open Data Business Models


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Key Strategic Design Choices


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The Open Data Business Model Options

Types of Data Elaboration
- Data aggregation
- Data structuring and classification
- Data geo-referencing
- Data validation
- Data mash-up
- Visual analytics

Role of PSI in the Value Proposition
- Final good itself
- Key ingredient of a product
- Key ingredient of a service
- Marginal ingredient of a product
- Marginal ingredient of a service

Price Mechanisms
- Premium
  - À la carte
  - Subscription fee
  - Royalties
- Freemium
  - Feature limited
  - Time limited
  - Size limited
- Free
  - Advertising powered
  - Cross subsidization
  - Zero marginal cost


Access the Study: bit.ly/NBMpaper
Five Business Model Categories

- **Freemium**: Dual-licensing, charging for changes, open source, free as branded advertising.
- **Premium**: Sponsorship, support and services, demand-oriented platform, supply-oriented platform, white-label development.
- **Cost-saving**: Increasing quality through participation and cost avoidance.
- **Indirect benefit**: Support primary business.
- **Razor & blade**: Infrastructural razors and blades.

Sources of Competitive Advantage

- **Financial resources**
- **Technical expertise in the IT sector**
- **Functional algorithms**
- **Specific domain expertise**

Access the Study: bit.ly/NBMpaper
Open Data and Emerging Technologies

**AI BUSINESS MODEL MATRIX**

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<td>open algorithm + open data</td>
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<tr>
<td>Sharing model</td>
<td>closed algorithm + shared data</td>
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<td>Closed model</td>
<td>closed algorithm + closed data</td>
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<td>Proprietary algorithm model</td>
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**DLT & PRIVACY PRESERVING TECHNOLOGIES**

- **Fully homomorphic encryption**: Data is encrypted before it is shared. It can be analyzed, but not decoded into the original information.
- **Differential privacy**: Noise is added to the dataset so that it is impossible to reverse-engineer the original inputs.
- **Functional encryption**: Select users have a key that allows them to view some parts of encrypted text.
- **Federated analysis**: Parties share insights from their analysis without sharing the data itself.
- **Zero-knowledge proofs**: Users can prove their knowledge of a value without revealing the value itself.
- **Secure multiparty computation**: Data analysis is spread across multiple parties such that no single party can see the complete set of inputs.

Open Data Institute (2018), 'The Role of Data in AI Business'

Deloitte (2022), 'Data Sharing Made Easy'

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The Need for a Paradigm Shift

• From legal obligation to operational necessity
• From outward orientation to inward orientation
• From cost to opportunity
• From clerical function to strategic function
• From requiring a leap of faith to generating evidence-based impact
Conclusions

• Open data is a significant force for good

• A collaborative effort is required to harness its potential

• A widespread understanding of value-creation mechanisms represents a key ingredient

• Emerging technologies may lead to larger, smarter and more secure data economies

• A new operational approach based on an “open-by-design” principle could be explored

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**WEBINAR**

**Discover data.europa.eu: sneak peek at the official portal for European data**

8 March 2024, 10.00 – 11.00 CET

**WEBINAR**

**Data spaces: experiences from the European Green Deal**

15 March 2024
10.00 — 11.30 CET

**WEBINAR**

**Data sovereignty & data governance: how can data holders stay in control?**

22 March 2024
10.00 — 11.30 CET
Thank you!

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