

Data Privacy & EU Single Digital Market Strategy

Strategic paths for organizations



Quidgest

Contents

03 Introduction

04 “GDPR is coming...” NO! It’s the European Single Digital Market!

05 How will “life” be in the European Single Digital Market?

07 Is my organization a “good fit” in this new environment?

08 Why is compliance with the GDPR important to me?

09 How will I achieve and maintain GDPR compliance?

10 Every service provider is suddenly an expert in GDPR...

What is the best approach to look for?

10 Take care of data privacy in your organization the same way you want your own privacy to be respected

About the autor

JOÃO ANNES International Business Manager | Data Privacy & Security Solutions

João worked as executive advisor for three Secretaries of State for National Defense, where he dealt in several instances with the realities of Cybersecurity and Cyber Defense. He participated in several strategic decision-making courses and exercises on Cyber Crisis Management, and was later in charge of coordinating the Portuguese participation in the NATO CMX15 Crisis Management Exercise, where the “Cyber” element played an important role. João was awarded with the National Defense Medal by the Portuguese Minister of Defense, for outstanding services, and is now back in the private sector, managing the Information Security, Cybersecurity and Data Privacy Solutions department at Quidgest.

He is a founding member of AFCEA Portugal’s Cyber Committee, a teacher in a postgraduate Cybersecurity course at the European University (Laureate Group) and was, recently, distinguished with the “AFCEA 40 under 40” award by AFCEA International.

If you wish to comment or receive more information about our Data Privacy Solutions:

joao.annes@quidgest.com

About Quidgest

Quidgest is a multinational Portuguese company, pioneer in automatic software generation. Created in 1988, among other distinction and certifications integrates COTEC's innovative SME network, an ISO 9001 and 14001 certified entity and is internationally recognized with CMMI Level 3. Complementing software development, Quidgest’s services range from business consulting and procedure definition to training, certified by DGERT, and evolutionary technical maintenance of information systems.

Genio, Quidgest’s platform for automatic code generation, enables deployment in a wide range of Management Solutions over several platforms (such as server, cloud, desktop, mobile) and seamlessly integrates with a range of existing technologies.

Cofinanced



Introduction

Since May 2016, organizations all over Europe are stressing about the General Data Protection Regulation (GDPR). Decision makers are alarmed by the draconian fines (in the worst scenarios, fines can go up to 20 million or 4% of their annual global turnover), HR managers review subcontractor's and personnel contract clauses. Simultaneously, IT managers begin to question their service providers about their plans to achieve compliance, while drawing their own plans, and looking for gap analysis services and new software solutions to manage the implementation and maintenance of compliance with the GDPR.

This already chaotic scenario is even more disturbing if we factor in the deadline (May 2018) for the full enforcement of the GDPR to come online, and the lack of qualified specialists and technicians to help organizations trying to achieve compliance. Right now, the whole environment urges management to get a grip on what they need to do about GDPR, but decision makers should be focusing on why is this so important for their organizations!

When I talk to decision makers, it seems that all they really want to know is how to achieve compliance and manage it, so they can go about their lives in peace. Despite this, some decision makers have already asked me "what is coming next?", but only one or two so far showed interest in talking about the "Big Picture", and how could they position their organization to gain strategic advantages.

Over the next paragraphs I would like to share the key steps a decision maker should take, when defining the strategy of his organization in light of this new reality that is forming just over the horizon.



“GDPR is coming....” NO! It's the European Single Digital Market!

The first key element is realizing that the GDPR is one of several steps taken by the EU Commission to develop the European Single Digital Market. This is the real survivability challenge for organizations, because it will transform 28 national markets, with different laws, regulations, and overall different levels of maturity, into just one big, powerful, more competitive and innovative market. Understanding that what you know right now is not nearly enough is the first major step to fulfil your ultimate goal.

- ▶ *EU consumers could save EUR 11.7 billion each year if they could choose from a full range of EU goods and services when shopping online.*
- ▶ *61% of EU consumers feel confident about purchasing via the Internet from a retailer located in their own Member State while only 38% feel confident about purchasing from another EU Member State.*
- ▶ *Only 7% of SMEs in the EU sell cross-border.*

Why we need a Digital Single Market

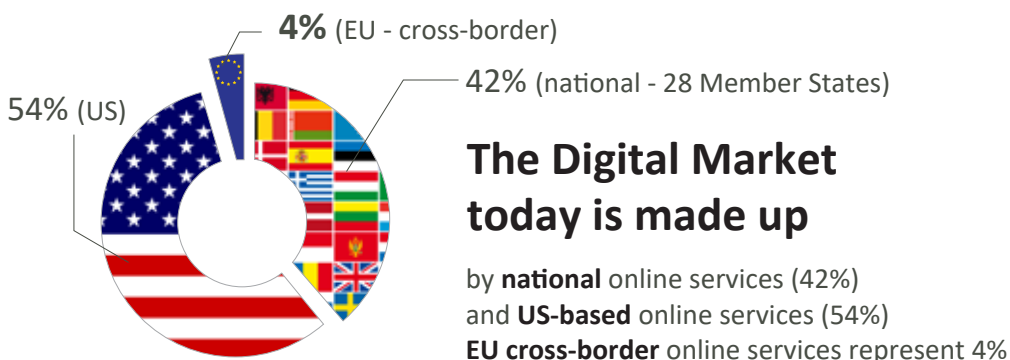
315 million Europeans use the Internet every day

A Digital Single Market can create up to €415 billion in additional growth, hundreds of thousands of new jobs, and a vibrant knowledge-based society



Source:
A DIGITAL SINGLE MARKET STRATEGY FOR EUROPE
European Commission

These are the obstacles to unlock this potential...



How will “life” be in the European Single Digital Market?


You need to understand what the new strategic environment is going to look like. The EU Commission’s strategy is based on 3 pillars, “Better access for consumers and business to online goods”, “Right environment for digital networks and services”, and “Digital as a driver for Growth”.

The first pillar will dramatically improve opportunities for great products and services to grow exponentially, but will also mean a proportional growth of competitors. Moreover, it will remove artificial barriers like geo-blocking, force shipping transparency fees and other measures taken by companies to adjust their prices to different countries, and most importantly, establish a single VAT threshold for digital commerce.

74% of the complaints received by the European Consumer Centres Network regarding price differences or other geographical discrimination faced by consumers relate to online cross-border purchases.

1 Better access for consumers and businesses to digital goods and services across Europe

Unlocking e-commerce potential

 **15% of consumers** bought online from other EU countries in 2014, while **44%** did so domestically

→ EU consumers could save **€11.7 billion** each year if they could choose from a full range of EU goods and services when shopping online



Only **7% of SMEs** in the EU sell cross-border

Small online businesses wishing to trade in another EU country face around **€9,000 extra costs** for having to adapt to national laws

→ If the same rules for e-commerce were applied in all EU, **57% of companies** would either start or increase their online sales to other EU countries

→ Geo-blocking is one of several tools used by companies to segment markets along national borders (territorial restrictions). By limiting consumer opportunities and choice, geo-blocking is a significant cause of consumer dissatisfaction and of fragmentation of the Internal Market.

Affordable parcel delivery costs



More than **90% of e-shoppers** consider **low delivery prices** and **convenient return options** as important when buying online

62% of companies that are willing to sell on line say that too high delivery costs are a problem

Tackling geo-blocking

In **52% of all attempts** at cross-border orders the seller does not serve the country of the consumer

→ less clients, less revenues for companies



Source:
A DIGITAL SINGLE MARKET STRATEGY FOR EUROPE
European Commission

Simplifying VAT arrangements

Small online businesses wishing to trade in another EU country face a VAT compliance cost of at least **€5,000** annually for each Member State where it wishes to supply

Modernising copyright



1 in 3 Europeans is interested in watching or listening to content from their home country **when abroad**



1 in 5 Europeans is interested in watching or listening to content from **other EU countries**

→ An opportunity not to be missed: **Images, films or music and games** are the most popular online activities and digital spending on entertainment and media has double digit growth rates (around **12%**) for the next five years

The second pillar aims to develop advanced infrastructures and deliver faster internet connections, safer and privacy compliant digital networks. This pillar regulates data privacy and cybersecurity, as well as the processing of metadata and communications content.

The third pillar is all about growing the digital economy, and laying the foundations for new generations to be digitally skilled. Enforcement of policies like the “digital by default” rule for public institutions, inclusion of digital education modules in public education curricula across the EU, and implementing the “once only” measure for all public and major private organizations, are some of the most remarkable policies that organizations need to embrace as a great opportunity for evolution. Organizations must collect and analyse all the available information (a PESTL analysis is a good option), and project the future environment according to their specific characteristics and current sphere of influence.

2 Shaping the right environment for digital networks and services to flourish

Strong European data protection rules to boost the digital economy



72% of Internet users in Europe still worry that they are being asked for too much personal data online

Rolling out fast broadband for all



Take-up of fast broadband is low: only **22.5% of all subscriptions** are fast ones (above 30Mbps) and Europe has witnessed significant time lags in the roll-out of the latest 4G technology due to the non-availability of suitable spectrum

Spectrum reforms can decrease prices of mobile services and boost productivity over time (estimated EU-wide GDP increase **between 0.11% and 0.16% over 5 years**)

Only **59%** of Europeans can access **4G**, dropping to **15%** in rural areas

3 Creating a European Digital Economy and society with growth potential

Big data and cloud



Digital data stored in cloud
2013: 20% - 2020: 40%

The use of big data by the top 100 EU manufacturers could lead to **savings worth €425 billion**

Studies estimate that, by 2020, big data analytics could boost EU economic growth by an additional **1.9%**, equalling a **GDP increase of €206 billion**

An inclusive e-society

Almost half the EU population (**47%**) is not properly digitally skilled, yet in the near future, **90% of jobs** will require some level of digital skills

A strategy of “digital by default” in the public sector could result in around **€10 billion of annual savings**



Source:
A DIGITAL SINGLE MARKET
STRATEGY FOR EUROPE
European Commission

Is my organization a “good fit” in this new environment?

Now that you envisioned the future strategic environment, and perceive what is coming, it's time to develop a SWOT analysis for your organization. This process of self-awareness will help you understand if the path that your organization is currently following is compatible with the projected environment. Be as objective as possible, involve key stakeholders of your organization, and seek the help of specialists and mediators to guide you through this process. This is the time when you need qualified people who speak their minds (even when you don't like it, or don't want to listen), not necessarily just the ones holding the senior positions in your organization. Having done that, you can now define a new integral strategy, and materialize its impact on the Vision, Mission and Values of your organization.



Why is compliance with the GDPR important to me?

Although GDPR compliance can be considered a weakness that you need to address today, it will transform into a strength that your organization can use to overcome regulatory obstacles, and most importantly to explore the multitude of opportunities that the EU Single Digital Market will open. Moreover, if you followed steps 1, 2 and 3, you now have a team capable of understanding the “big picture”, motivated by their participation in the development of the strategy, and ready to help you lead your organization towards compliance with the GDPR in particular, with the EU Single Digital Market on the horizon.

Another relevant aspect is time. By deciding to set things in motion now, you will achieve compliance before many organizations that dispute your sphere of influence, and you can use this as competitive advantage to grow in influence and results, expanding the scope of your organization, making it stronger and successful.

12 steps to take now

- 1 AWARENESS**
You should make sure that decision makers and key people in your organisation are aware that the law is changing to the GDPR. They need to appreciate the impact this is likely to have.
- 2 INFORMATION YOU HOLD**
You should document what personal data you hold, where it came from and who you share it with. You may need to organise an information audit.
- 3 COMMUNICATING PRIVACY INFORMATION**
You should review your current privacy notices and put a plan in place for making any necessary changes in time for GDPR implementation.
- 4 INDIVIDUALS' RIGHTS**
You should check your procedures to ensure they cover all the rights individuals have, including how you would delete personal data or provide data electronically and in a commonly used format.
- 5 SUBJECT ACCESS REQUESTS**
You should update your procedures and plan how you will handle requests within the new timescales and provide any additional information.
- 6 LEGAL BASIS FOR PROCESSING PERSONAL DATA**
You should look at the various types of data processing you carry out, identify your legal basis for carrying it out and document it.
- 7 CONSENT**
You should review how you are seeking, obtaining and recording consent and whether you need to make any changes.
- 8 CHILDREN**
You should start thinking now about putting systems in place to verify individuals' ages and to gather parental or guardian consent for the data processing activity.
- 9 DATA BREACHES**
You should make sure you have the right procedures in place to detect, report and investigate a personal data breach.
- 10 DATA PROTECTION BY DESIGN AND IMPACT ASSESSMENTS**
You should familiarise yourself now with the guidance the ICO has produced on Privacy Impact Assessments and work out how and when to implement them in your organisation.
- 11 DATA PROTECTION OFFICERS**
You should designate a Data Protection Officer, if required, or someone to take responsibility for data protection compliance and assess where this role will sit within your organisation's structure and governance arrangements.
- 12 INTERNATIONAL**
If your organisation operates internationally, you should determine which data protection supervisory authority you come under.

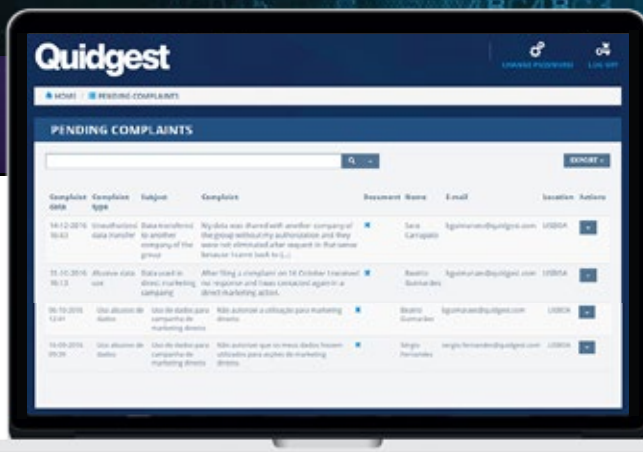
Source:
ico. Information
Commissioner's Office UK

How will I achieve and maintain GDPR compliance?

Organizations will realize the impact of the GDPR on their policies, processes, infrastructure, personnel and businesses by performing a data privacy assessment of their organization, closely followed by key staff members. This assessment should describe the current state of your company, and where you need to be in order to comply with the GDPR.

I recommend you hire specialized consultancy to help with the assessment, and start looking for software tools to manage the results of the assessment.

Quidgest has developed a system which allows the structural organisation of data, with a control platform which helps its management in order to meet all the technical and compliance measures established in the new GDPR.



Quidgest

Contact us if you wish to receive more information about our Data Privacy Solutions:
solutions@quidgest.com
www.quidgest.com

Every service provider is suddenly an expert in GDPR... What is the best approach to look for?

I recommend that you look for holistic approaches when you decide which service providers you should consult in your decision making process. Make sure to confirm how flexible the solutions can be, in terms of training, consultancy and software, since you know that guidelines and specific legislations will evolve overtime (especially in the first years), the assessments may reveal previously unknown vulnerabilities and the scope of training will grow from basic awareness to specialized training in procedures and compliance directly related to the activities of your organization.

Take care of data privacy in your organization the same way you want your own privacy to be respected

The world is evolving, powered by data and new technologies that continuously challenge the way governments deal with national issues, companies do business, interest groups propagate their ideas, and societies and families interact with each other. The GDPR ultimately aims to ensure that no one shall be subjected to arbitrary interference with his privacy, and this is a Fundamental Human Right inscribed at the core of the United Nations Universal Declaration of Human Rights, and the European Convention of Human Rights. In this light I hope you remember that in the digital world every human being is the owner of his personal data, and it's your responsibility to handle responsibly whatever data he or she consents you to use for a specific purpose.

If you wish to comment or receive more information about our Data Privacy Solutions:
joao.annes@quidgest.com

REFERENCES

The Digital Single Market strategy

<https://ec.europa.eu/digital-single-market/en/digital-single-market>

<http://ec.europa.eu/justice/data-protection/>

European Convention on Human Rights

http://www.echr.coe.int/Documents/Convention_ENG.pdf

Universal Declaration of Human Rights

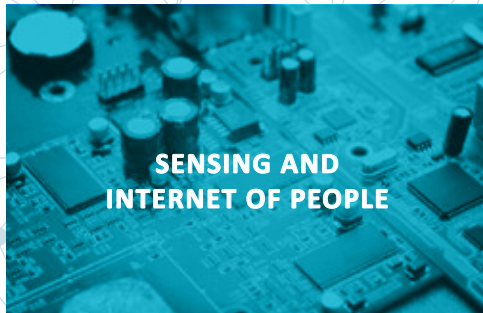
<http://www.un.org/en/universal-declaration-human-rights/>

.ICO

Information

Commissioner's Office
UK

<https://ico.org.uk/>



Software Engineers

Quidgest



CMMIDEV / 3SM
Exp. 2017-07-11 / Appraisal #22558



**SAMSUNG
BUSINESS**

Microsoft Partner
Gold Application Development



www.quidgest.com



Quidgest



Quidgest



Quidgest

Quidgest

Quidgest Portugal:
R. Viriato, No. 7 – 4.º
1050-233 Lisbon | Portugal
Tel. (+351) 213 870 563

Quidgest Mozambique:
R. John Issa, No. 260
Maputo | Mozambique
Tel. (+258) 21 30 37 32

Main: quidgest@quidgest.com
Comercial: solutions@quidgest.com
Marketing: marketing@quidgest.com

Quidgest Germany:
Konrad-Zuse-Platz, No. 8
81829 München | Germany
Tel. (+49) 89 20 70 42 850

Quidgest East Timor:
Timor Plaza, CBD2, Unit 403-404
Comoro | Dili | East Timor
Tel. (+670) 76 82 47 19
(+670) 77 45 64 29