



GENERAL DATA PROTECTION REGULATION READY TO GO?



A CRITICAL VIEW ON GDPR FROM A SMALL BUSINESS ORGANIZATION PERSPECTIVE

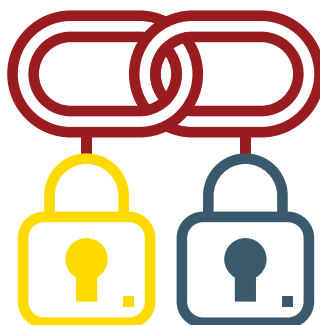
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+ GDPR MARKS A MAJOR CHANGE, OPENING A NEW ERA IN DATA SECURITY

Its core principle is indeed that privacy is a fundamental right, which implies radical changes in the way organizations are required to manage data. This is having a tremendous impact, and it's only the beginning, on many organizational, legal, financial and operational aspects that any small to medium and large enterprise must be ready with for the big day: The 25th May! OMG this is tomorrow! Or rather yesterday.

Are we ready for this? How will this affect start-ups and small businesses? Difficult to say at this stage, but some first preliminaries considerations can be done.



ON THE ROAD TO GDPR

On 25 May 2018, the EU **General Data Protection Regulation** (GDPR) will come into force strengthening the rights that individuals have regarding personal data relating to them and seeks to unify data protection laws across Europe, **regardless of where that data is processed**.

According to the regulation, **personal data** indicate any information relating to an identifiable person where the person can be identified by a wide variety of means, including, but not limited to, name, email address, an identification number, location data or even one or more attributes of the person. The term **processing** indicates any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

It is most probably the case that many, especially those with no legal background, have found it very hard to approach the GDPR 88 pages and 89 articles!

At Martel, the GDPR journey started by reading articles, guidelines, condensed online guides, following up on press and media, participating to webinars given by GDPR “specialists” (!), discussing with our customers and partners and consulting legal experts.

The main positive aspect of this months-long exercise, besides leading to better protection of our customers and partners privacy rights, has been the fact that to become GDPR compliant required us to (re)think and (re)structure some of the processes and tools in use at Martel. This has given us the opportunity to clean-up, improve, optimize and clarify many operational aspects, at both IT and admin level, but also to reshape and better define the dynamics of several business interactions with our partners and customers.

On the negative side this has generated major overhead and costs, which might even increase in the months to come, and has created lots of grey zones. These areas that nobody really understands and that nobody, not even legal experts, have clear answers to as of today. So, we must all be ready for more changes ahead!

A DEEP DIVE EXPERIENCE FROM DESIDERATA TO REALITY



“The true cost of GDPR doesn’t come from compliance itself. It comes from trying to protect oneself from the legal vulnerability it creates for businesses.” Hacker News

While data is the new oil and has been giving rise to a new economy, GDPR is expected to have major impact on the way this economy will evolve as it has major implications on data portability and data sharing rules, processes and tools. One of the big questions though is in which way this evolution will really answer to the original intent and vision GDPR has been defined for. What is clear is that it has already created a new market “niched, generating a huge business for many legal and consultant organizations!

Let’s go back to the core principles that the GDPR is enforcing to empower citizens / end users and break the monopoly of the big GAFA players.

- + **RIGHT TO BE FORGOTTEN:** European citizens can ask companies to tell them everything they know about them and delete it all. This means businesses will have to set up their databases in a way that it is possible to trace and delete all data that they hold on someone.
- + **EXPLICIT CONSENT:** Any organisation “shall be able to demonstrate that the data subject has consented to processing of his or her personal data” and the consent was “freely given” and asked in an “intelligible and easily accessible form, using clear and plain language.”
- + **DATA BREACH NOTIFICATIONS** must be reported to supervisory authorities not later than 72 hours after having become aware of it. If the data breach poses a high risk to those individuals affected, then they should all also be informed.



- + **PRIVACY BY DEFAULT:** A company or organization gathering personal data must ensure that, “by default, only personal data which are necessary for each specific purpose of the processing are processed. This means that both devices and applications must be designed by protecting personal data by default.
- + **PROFILING:** A user “shall have the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects.” Companies and authorities using algorithms to take over some decision making will have to either ask for users’ explicit consent or double-check a decision made by an algorithm if the user requests explanations on the decision that has been taken.

Therefore, clearly, GDPR will better protect end users, eventually even from some “obscure” AI monsters (!), and render them better aware of the value their personal data has, but **it is coming at a cost** that is very hard to predict and even worst not always affordable for many small to medium players, which especially for Europe has enormous consequences.

Small Medium Enterprises (SMEs) represent the 99% of the European businesses and the **GDPR can become a relevant financial burden** on their operations, e.g., appointing a data protection officer, setting up secure IT applications against data breach, review marketing and CRM processes and possibly tools, etc. Without forgetting that fines are punitive! Notice that non-compliance to GDPR can lead to a fine up to 2-4% of annual global turnover or €10-20 million - whichever is greater.

Therefore, even if it has been reported that regulators will have more discretion when punishing SMEs, if done wrong, GDPR might easily kill many businesses – and in these months we have learned that to become fully GDPR compliant is a complex and lengthy process with several obscure zones indeed. As a matter of fact, it would be more appropriate to talk about levels of compliance. There will always have to be incremental improvements over time, hopefully in the right direction.

LOOKING AHEAD

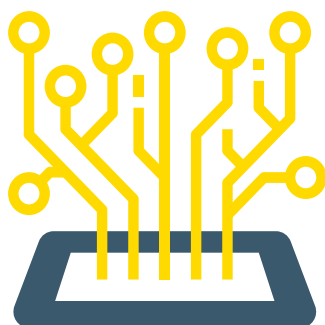
On the eve of GDPR entering into force, at Martel, even though we have done our best to align on the new regulation, we are aware more work and changes will be needed along the way. We also believe small organizations like ours, which embrace agile and lean principles and processes, will be able to more effectively and rapidly adapt to the GDPR – and this is an advantage that small players will have when compared to big and heavy market players.

GDPR COMPLIANCE IS A MARATHON, NOT A SPRINT. Only after the law will come into effect, it will be possible to gain a better understanding of how enforcement will work and how organizational, IT and business tools and mechanisms might need to be adapted or re-designed. At Martel we are ready and committed to actively adjust to the terms of the law as necessary as we believe in the ultimate vision and core principles of GDPR that is privacy and its protection is a right for all citizens.

Internet users will understand the true value of their data, they will realize their data is a capital asset for many businesses and they will possibly be able to make better informed decisions as to what they are willing to trade in exchange.

If marketers and consumers mutually benefit from the improved transparency and trust as it is expected, **other jurisdictions outside the EU may well follow,** which could spell even bigger changes for the digital ecosystem in the years to come.

This time Europe is leading, let's make sure this turns into a great opportunity to improve our society.





ABOUT US

INNOVATION. WE MAKE IT HAPPEN

Martel is a Swiss-based SME with more than 20 years' experience in R&D innovation management and implementation working with, and for top-notch players in Europe and worldwide.

Martel is specialized in Horizon 2020 funding and is currently involved in 16 ongoing projects, having directly contributed to their successful proposals' writing and submission.

QUALIFIED EXPERTISE

+ In 16 ongoing H2020 projects with strategic positions

+ **Coordinators** (leaders of community building & communication)

- + HUB4NGI (hub4ngi.eu) the 1st Next Generation Internet project
- + RIFE (rife-project.eu) Architecture for an Internet for Everybody
- + ChIC (capssi.eu) Coordination High Impact for CAPS
- + EXCITING (euchina-iot5g.eu) EU-China Study on IoT and 5G

CREDIBILITY

+ **Key players with technical lead responsibilities**
(IoT, Cloud Computing, Smart Cities)

- + SMARTSDK (smartsdk.eu) – Platform for Smart Cities
- + FI-NEXT (fiware.org) – Platform for Smart Services
- + FLAME (ict-flame.eu) – Platform for Next Generation Media services

STRONG CONNECTIONS

VISIBILITY

+ **Managing Cascade Funding /
Open Calls in 4 ongoing projects**





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