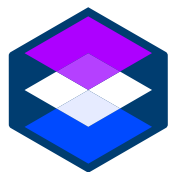


# METHODS FOR MONETIZING DATA



**Facteus**

# METHODS FOR MONETIZING DATA

## INVESTORS ARE IMPRESSED BY INFORMATION-CENTRIC COMPANIES



**AVERAGE COMPANY**



**INFOSAVVY COMPANIES**

2X market-to-book-value



**INFOPRODUCT COMPANIES**

3X market-to-book-value

Organizations tend to enter into a vicious cycle of inefficiently measuring and managing data and information. Often, they can't understand the return on investment, which data is most important to the organization, or what is needed to improve data quality and availability. This can be a slippery slope, as companies can't monetize information when they can't measure or manage it, either.



Nearly two decades ago, Doug Laney originated the field of Infonomics, developing methods to quantify information's economic value and apply asset management

practices to information assets. He authored the book "*Infonomics: Monetizing, Managing and Measuring Information as a Competitive Advantage*," and lectures at leading business schools on the topic. In addition to his dozens of Gartner research publications and blogs, Doug is a contributing author with Forbes and Information Management Magazine, and has been published in the Wall Street Journal and the Financial Times.

## INFONOMICS

### Treating Information as an Asset



#### MONETIZING INFORMATION

Generating economic benefits from available information assets.



#### MEASURING INFORMATION

Gauging and improving information's economic characteristics.



#### MANAGING INFORMATION

Applying asset management principles and practices to information.

Infonomics is made up of three distinct parts: **managing, measuring, and monetizing** information. The idea behind infonomics is to exchange a vicious cycle for a virtuous cycle by utilizing information as an asset to make better data-driven decisions.

A look across the range of ways organizations use information shows how information generates indirect benefits. While money might not necessarily be involved, data is used to improve business processes, improve compliance, reduce risk, or develop new products and open new markets. One of the key ways for companies to monetize data is identifying those across the business ecosystem who would find benefit from data, including partnerships, suppliers, and even the organization itself.

## METHODS FOR MONETIZING INFORMATION AND DATA

### Bartering or Trading Data

The primary way organizations externally monetize data is by bartering or trading data with others in exchange for either commercial goods, services, or other favorable terms and conditions. Technically, data doesn't have a monetary value, so when exchanging information in return for a good or service it can be considered a zero-balance sheet transaction.

### Enhance Products or Services

A second way to use and monetize information is to enhance existing products or services. Any product or service offered today can be enhanced, digitalized, or infused with data to make it more useful, competitive, or attractive. Data can also be sold, but licensed insights, analyses or reports can at times be even more valuable.

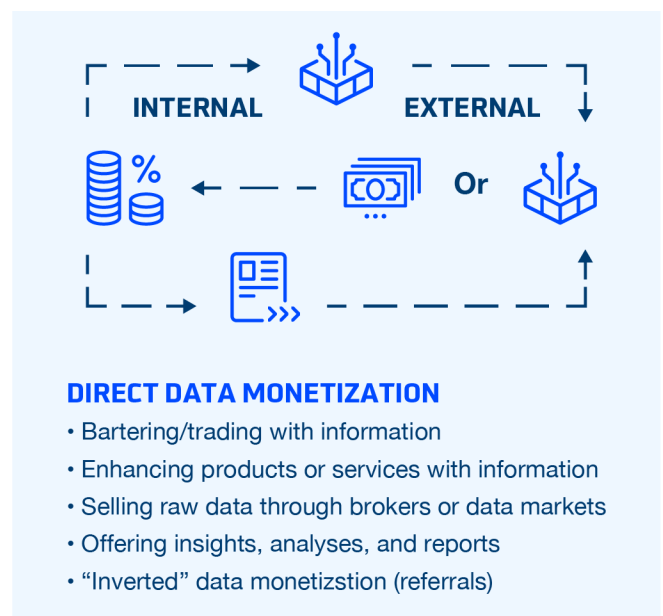
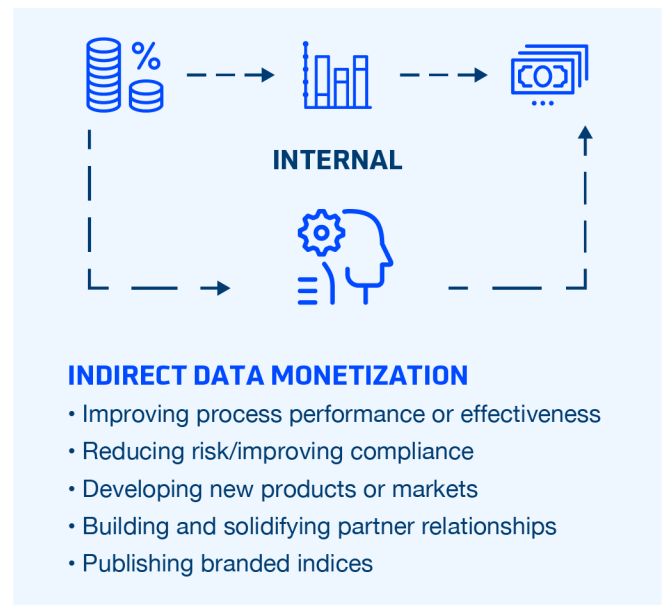
### Inverted Data Monetization Model

Some organizations can't sell customer data, but they can sell goods and services to their customers through the platform they create. This inverted data monetization model is increasingly popular with banks, hospitals, and other organizations where data privacy is a primary concern.

## Branded Indices

Finally, there is the concept of publishing branded indices. If a company has information they want to make available to others externally, then they can create a branded index — an analysis of the data that is put up for sale. An example of this is the ADP National Employment Report. ADP is a payroll processing company that also sells or licenses data and insights. Their branded index is known to be more accurate and timelier than even the U.S. government's numbers.

## GENERATING ECONOMIC BENEFITS FROM INFORMATION



To successfully monetize data, companies need to take a product management approach and treat data like any other product or service. Identify the organization's available information assets and how data can be integrated with external data sources to make it that much more valuable.

*The first step is to make data monetization a core component of your business strategy. Treat data like any other product or service you offer.*

## KEY TAKEAWAYS

### Treat Data as an Asset

Even if information doesn't generate direct revenue benefits, it can still be monetized to generate indirect benefits. Protect and leverage your data as you would any other type of asset. This approach is called infonomics.

### Embrace Synthetic Data

Synthetic data is the key to safe data monetization in the financial industry. It enables you to anonymize customer data so more people can analyze and draw value from it, without putting the personally identifiable information (PII) of your customers at risk.

## Monetize Data Internally, Externally or Both

There are multiple ways to monetize your data. Use it to improve business processes, improve compliance, reduce risk, and enhance your existing products and services, or to generate reports, branded indices, and other data products.

Synthetic data is an information breakthrough that has enabled financial organizations to monetize their data while staying compliant and avoiding risk.

Now, the question is: are you ready to monetize your data?

## ABOUT THE AUTHOR

Facteus is a provider of financial data business intelligence (BI) solutions for financial institutions, payment processors, investment companies, and retail corporations. Through its innovative synthetic data process, Facteus can transform raw transaction data from legacy technologies into actionable information, which enables companies to make intelligent business decisions, automate manual operational tasks, and optimize their data strategies.

The team of data scientists and financial industry veterans at Facteus provide source data from billions of transactions from over 1,000 financial companies to deliver timely, rich insights that can be used for machine learning, artificial intelligence, data monetization, and other strategic use cases.