



# Risk and reward

A perspective on data privacy

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Privacy made practical®

### Risk and Reward – a positive perspective on data privacy

In many commercial and non-profit activities, including financial services, healthcare and industrial production, the use of technology requires us to consider the management of data across three dimensions which interact with one another and which require balancing: innovation, regulation, and risk.

In driving innovation we intend to improve productivity, to open up new markets and activities and to improve and grow our organisation.

In complying with regulation we seek to assure safety, to act responsibly and to protect both our reputation and our resources.

In managing risk we aim to plot a course which will help us to reach our goals while protecting our activities as well as minimising the exposure of internal and external stakeholders.

There appear to be inherent sources of tension here, though. It has become commonplace to perceive an irreconcilable conflict between innovation and compliance, between the management of risk and growth. This seems to be especially true when it comes to the management of data, where the advent of new technologies are presented as the springboard to previously undreamt upsides, while the purveyors of recent and forthcoming regulations and those charged with managing risk merely hinder the visionaries who wish to realise this brave new world.

The reductive Cassandras who foresee only tension between innovation, regulation and risk are missing an important trick, however, in failing to realise that this is not a battle between progress and conservatism, nor between growth and assurance.

Data protection presents multiple opportunities not only to be seen to be doing the right thing but to do the right thing and in so doing to engage in a constructive, dynamic and progressive approach to work in the twenty-first century. Here be not dragons but reward.

Privacy done well is a driver of growth both in consumer markets and in business-to-business sectors. It should never be considered a distress purchase nor seen as a negative or necessary chore. Research conducted by Securys – and supported by the evidence of similar surveys – shows that consumer trust is underpinned and bolstered by good privacy practice. The days in which companies could freely (and sometimes recklessly) Hoover up, use and abuse data at will are over as a more informed, savvy and empowered generation is learning to exercise not only its rights but also its considerable economic and social muscle in making choices which reward those who do good by doing right.

We see this most clearly in the rise of the purpose economy but this is not simply a niche activity for the privileged: our research shows that people of every stripe not only share a common consciousness of their inherent rights but the willingness to take action to support them. This new world order resets the relationship between organisations and individuals. It is supported by the considerations of regulatory compliance, necessary as they are, but transcends them.

These changes in perspective demand a new approach to the management of risk. Organisations need to escape the confines of a narrow compliance mindset and recognise the opportunities that exist. As

in so many other aspects of life, privacy is about trust. Data privacy is not about data but about people and privacy matters because people matter.

A successful privacy operating model underwrites practical privacy with good governance and places trust and transparency at the heart of data protection. For anyone operating across multiple jurisdictions a robust data protection framework is essential not only to manage risk and transform an organisation's ability to engage with regulators but also to develop successful and efficient new approaches to data management which drive innovation while also fostering trust.

Doing privacy well is about making privacy practical, about creating a reward framework not a risk framework, in which a positive approach to individuals, whether they are a consumer, employee, shareholder or stakeholder, brings tangible reward in the form of improved interactions, efficiency and engagement. Our evidence is that a positive, constructive approach to privacy reaps rewards both internally and externally, consolidating employee relations and boosting retention, which is of especial merit during a time of flux in the jobs market, and enhance relationships with client and consumer engagement.

Take artificial intelligence. The world is aflame with passionate advocacy for and against the latest developments in AI and it would be foolhardy not to consider the significant changes that these emerging technologies are already bringing to our world. It is also true that AI creates specific challenges for privacy, both under current regulatory regimes and under those being developed. Perhaps more importantly, however, it should not be the regulation (or lack thereof) which drives considerations around AI and privacy but the recognition that those who learn how to use these tools in a way which reconciles innovation with risk and regulation and which crucially engenders trust in the users and participants in the development of these new tools, including those who may not even be aware now of the risks to their information, privacy, livelihood and future.

If we are to reap the rewards of these opportunities we must first recognise that good stewardship of data is an opportunity in itself, an essential part of the relationship between organisations and individuals and a cornerstone of the trust which is necessary for us all to thrive and prosper.

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