# DATA AS PART OF RESPONSIBLE BUSINESS

survey results 2020

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Background information on the survey

- **The survey is indicative** and the sample is not sufficiently large to draw conclusions about the situation of companies or of Finland in general.
- **The responses were submitted anonymously** and they cannot be connected to individual people or companies. Consequently, it is not possible to draw conclusions on the effect of the maturity of the organisations' data-driven business from the responses.
- **The survey was completed** by 47 representatives of various Finnish companies and public-sector entities in spring 2020. The survey was made available on the Sitra website. The survey was also accessible through the channels of the Finnish corporate responsibility network FIBS.
- The respondents represented companies of various sizes: one third represented small businesses, one fifth medium-sized companies, 9 per cent medium-to-large companies and 40 per cent represented large corporations.
- **The companies also represented a wide range of industries**, although the information and communications sector had the highest share of respondents (28%).
- Four per cent of the respondents **represented the public sector**.

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1. How data-driven are your company's operations?
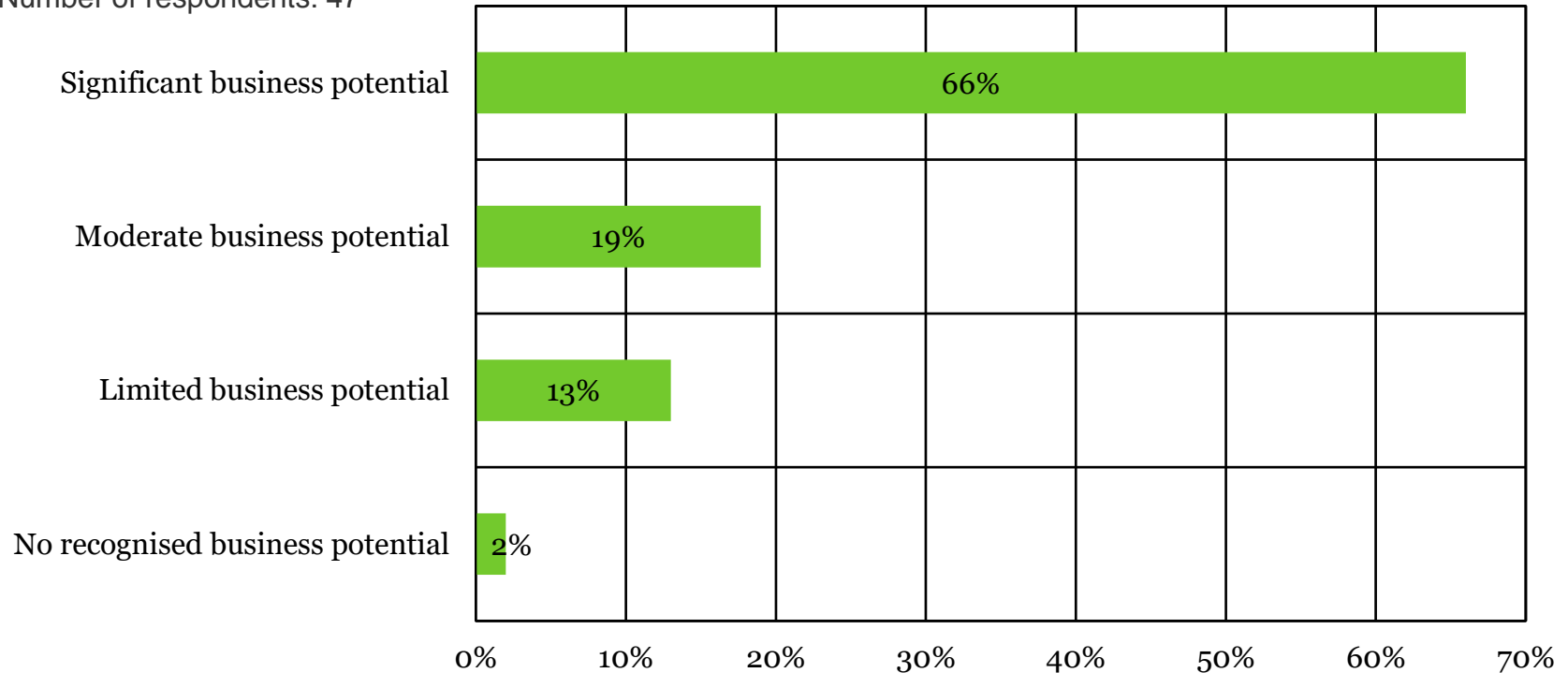
Number of respondents: 47
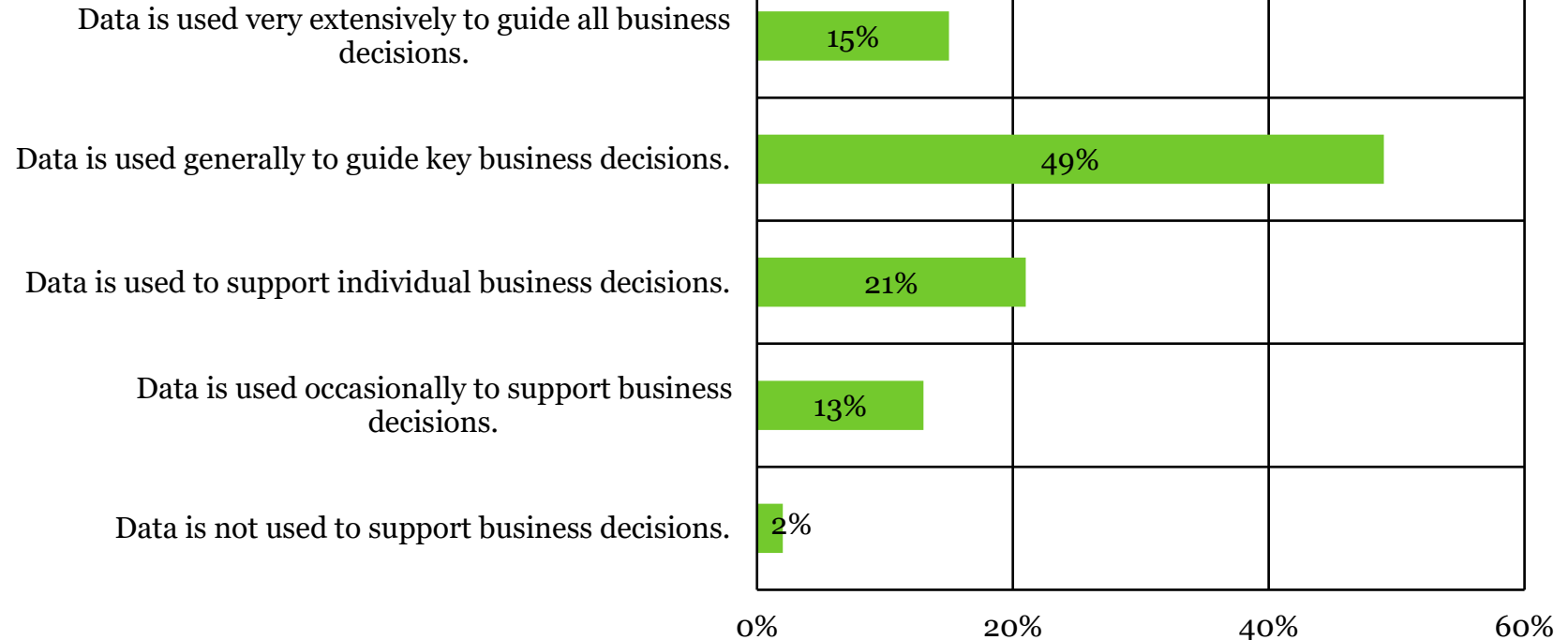
Data as support for decision-making

- **Half (49%) of the respondents indicated that data is used generally to guide key business decisions.**
- The second highest percentage (21%) of the respondents said that data is used only to support individual business decisions.
- The third highest percentage (15%) of the respondents stated that data is highly significant for the company, as data is used very extensively to guide all business decisions.
- The fourth largest percentage (13%) of the respondents indicated that data is used occasionally to support business decisions.
- Only one of the 47 respondents believed that data is not used to support business decisions at all.

4. How large is the business potential of data for your company?
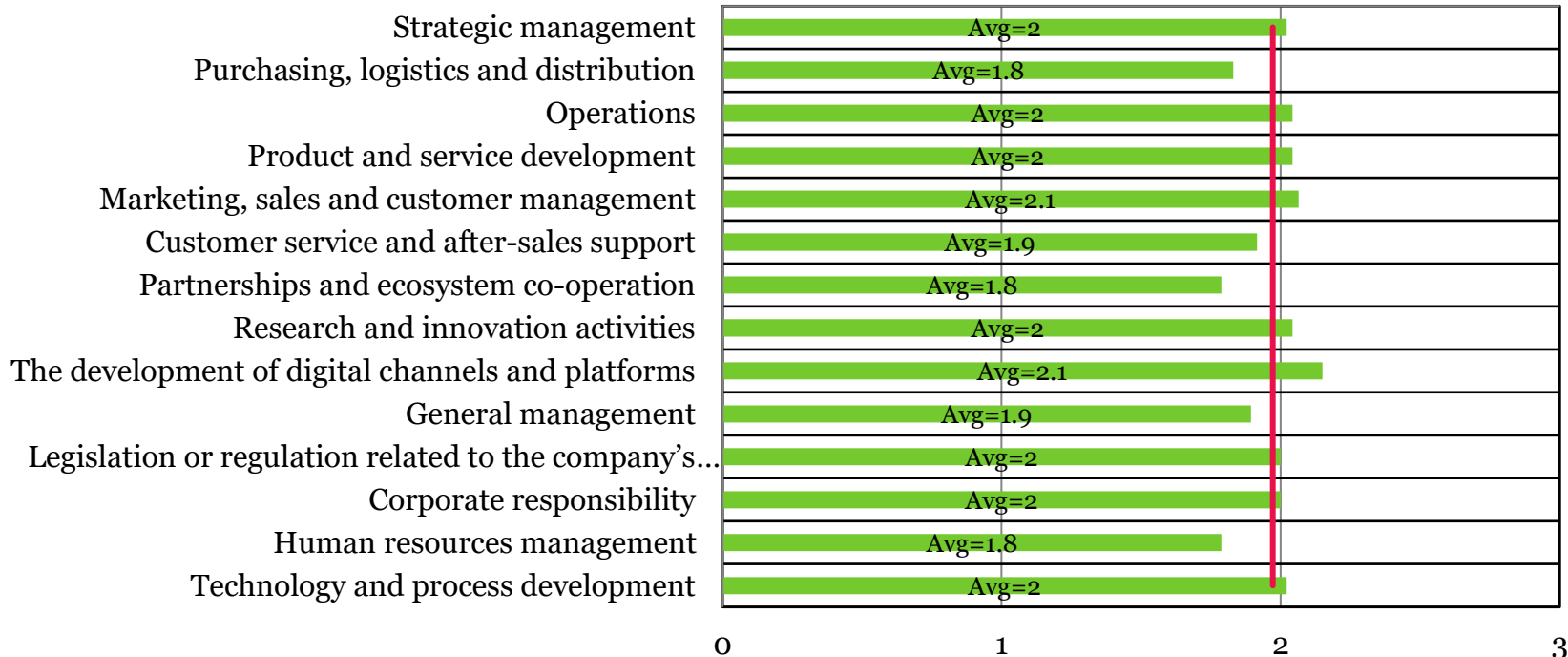
Number of respondents: 47

Category	Percentage
Significant business potential	66%
Moderate business potential	19%
Limited business potential	13%
No recognised business potential	2%

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The business potential of data

- **A clear majority (66%) indicated that data has significant business potential for their company.**
- Nearly a fifth (19%) of the respondents said that data has moderate business potential.
- A smaller proportion (13%) estimated that the business potential is limited.
- Only one of the respondents did not see any business potential for data in their company.

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5. How would you rate the competence and understanding of the management and use of data in your company's various business functions?

| Business function	Average
Strategic management	Avg=2
Purchasing, logistics and distribution	Avg=1.8
Operations	Avg=2
Product and service development	Avg=2
Marketing, sales and customer management	Avg=2.1
Customer service and after-sales support	Avg=1.9
Partnerships and ecosystem co-operation	Avg=1.8
Research and innovation activities	Avg=2
The development of digital channels and platforms	Avg=2.1
General management	Avg=1.9
Legislation or regulation related to the company's…	Avg=2
Corporate responsibility	Avg=2
Human resources management	Avg=1.8
Technology and process development	Avg=2

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Data competence in companies

- The respondents were asked to rate the competence and understanding of the management and use of data in their company's various business functions. They were requested to provide a rating on a scale of 0 to 3 (none–low–average–high) for each business function separately.

- **Approximately one third of the respondents rated data competence as high in research and innovation activities (36%), the development of digital channels and platforms (34%) and in marketing, sales and customer management (32%).**

- Just under half (43%) of the respondents rated data competence as low in partnerships and ecosystem co-operation. Over a third (36%) of the respondents rated data competence in human resources management as low.

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6. Does your company share data generated in its operations with other parties?

Number of respondents: 47

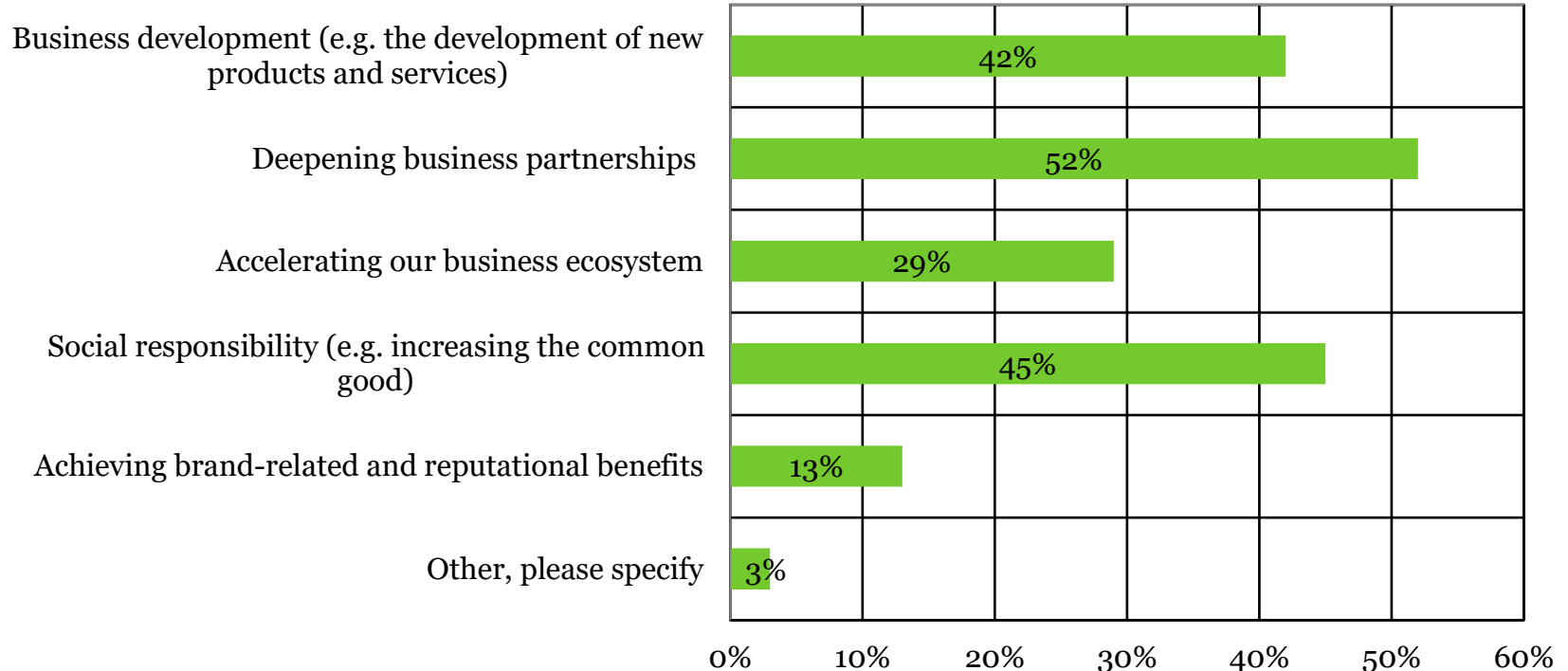|	
Yes	66%
No	28%
I can't say	6%

0% 10% 20% 30% 40% 50% 60% 70%

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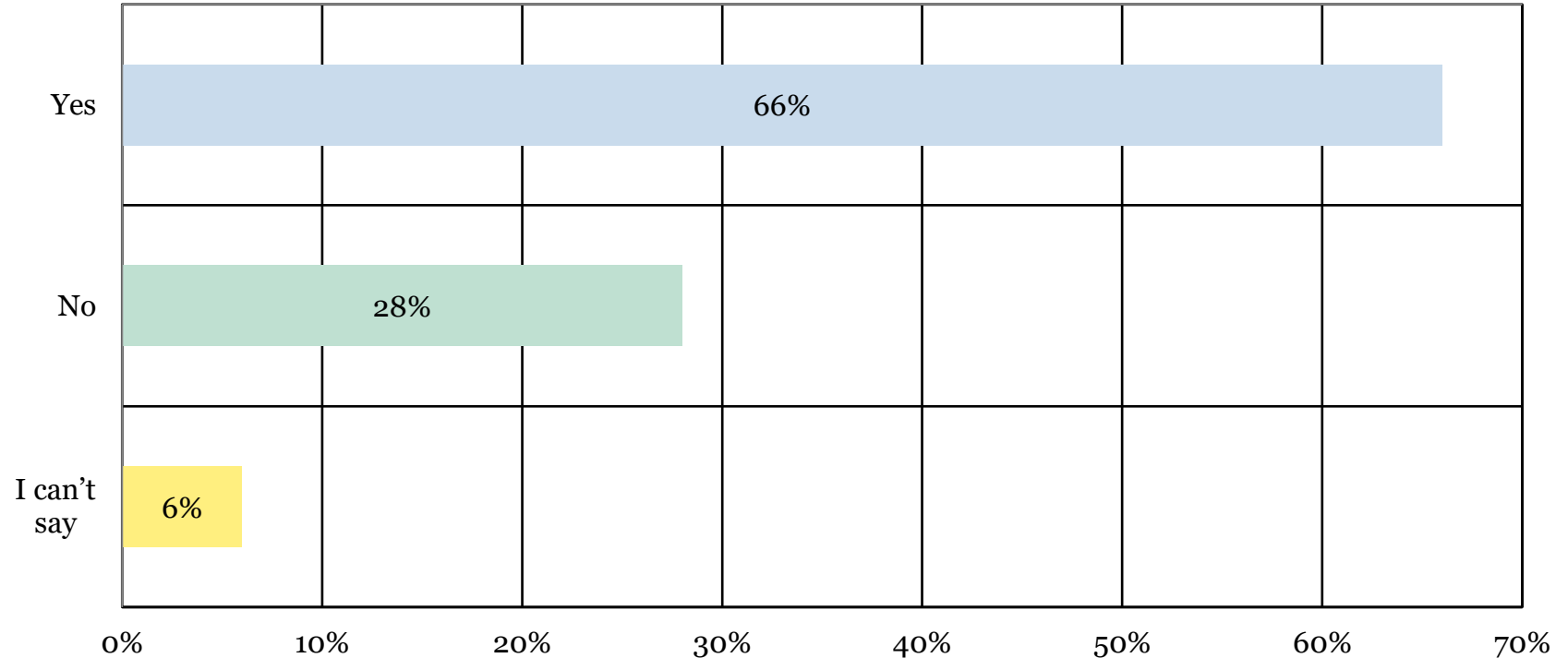
Data sharing

- Two thirds (66%) of the participating companies said they already share data with other organisations.
- Less than a third (28%) indicated that data is not shared.
- A small proportion (6%) of the respondents could not say whether data is shared.

7. In your view, what is your company's primary motive for sharing data with other parties? (You can choose two answers)

Number of respondents: 31, number of selected answers: 57

| Motive	Percentage
Business development (e.g. the development of new products and services)	42%
Deepening business partnerships	52%
Accelerating our business ecosystem	29%
Social responsibility (e.g. increasing the common good)	45%
Achieving brand-related and reputational benefits	13%
Other, please specify	3%

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Motivation for sharing data

- **The most common motivation for sharing data was to deepen business partnerships, with more than half (52%) of the respondents choosing that answer.**
- The second most frequently chosen answer was social responsibility (e.g. increasing the common good), which was selected by just under half (45%) of the respondents.
- Almost equally popular (41%) was business development (e.g. the development of new products and services).
- The two least popular alternatives among the options given were accelerating the business ecosystem (29%) and achieving brand-related and reputational benefits (13%).

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8. Our company has a data strategy for...

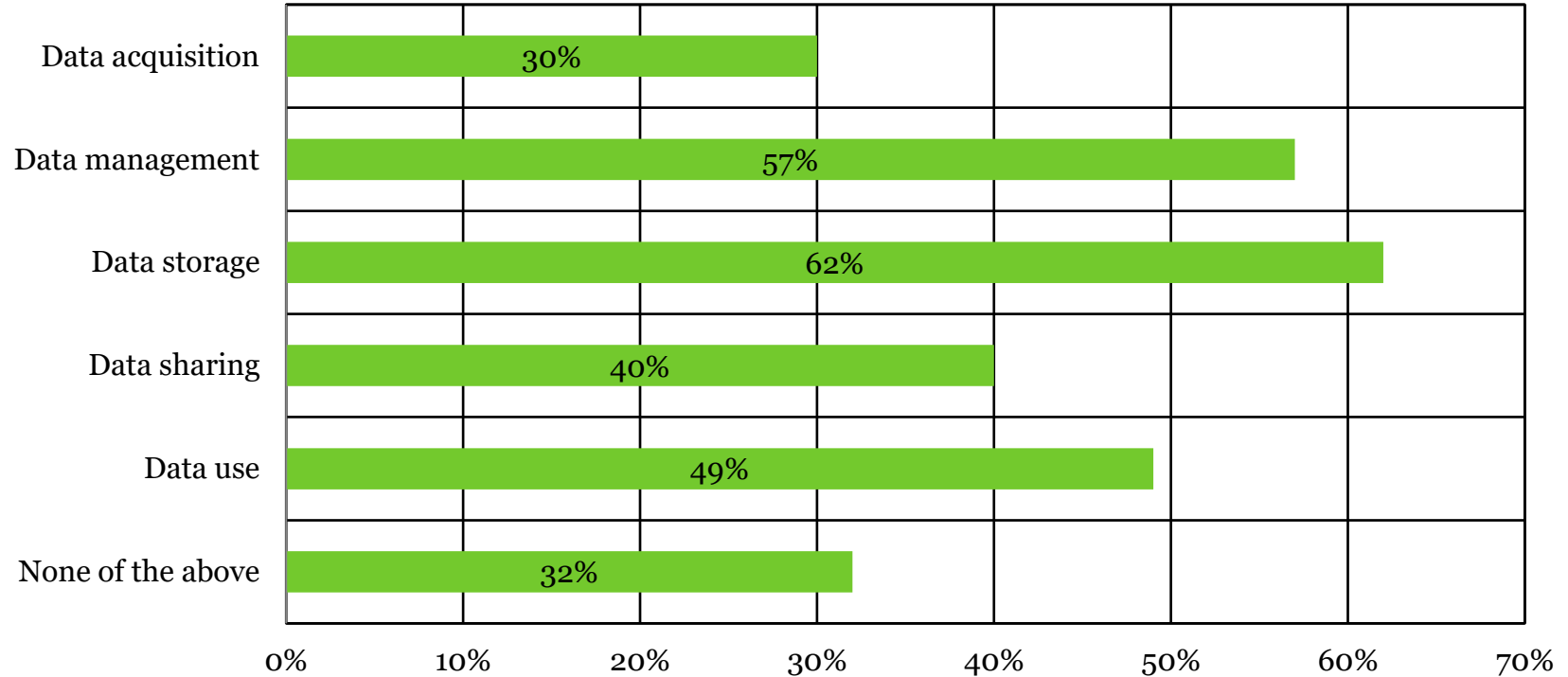Number of respondents: 47, number of selected answers: 113
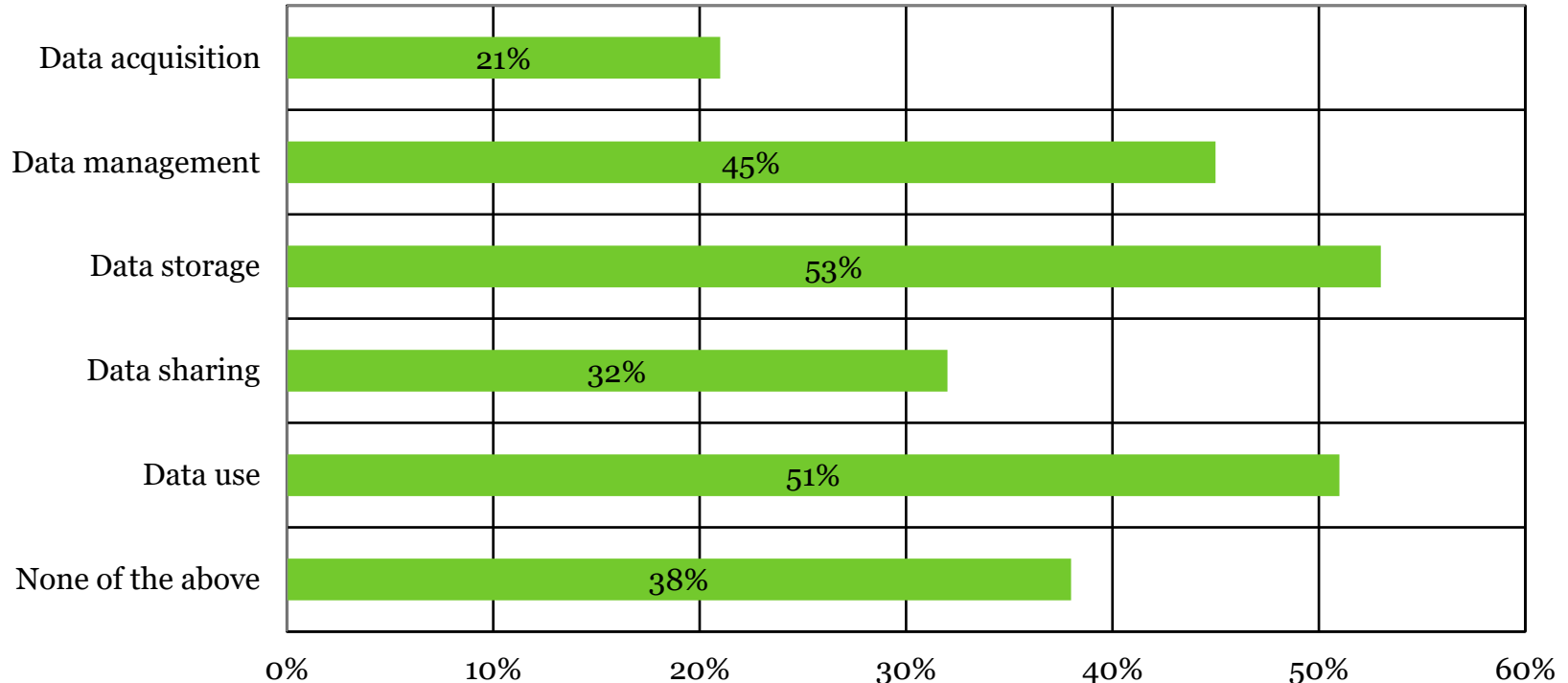
Data strategy

- **Data storage (53%) and data use (51%) were the most significant existing areas of companies' data strategies by a clear margin.**
- Data management (45%), sharing (32%) and acquisition (21%) were less common.
- Nearly 40% of the respondents indicated that their company does not have a data strategy for any of the listed areas.

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9. Our company has a data management model for...

Number of respondents: 47, number of **selected** answers: 127

Category	Percentage
Data acquisition	30%
Data management	57%
Data storage	62%
Data sharing	40%
Data use	49%
None of the above	32%

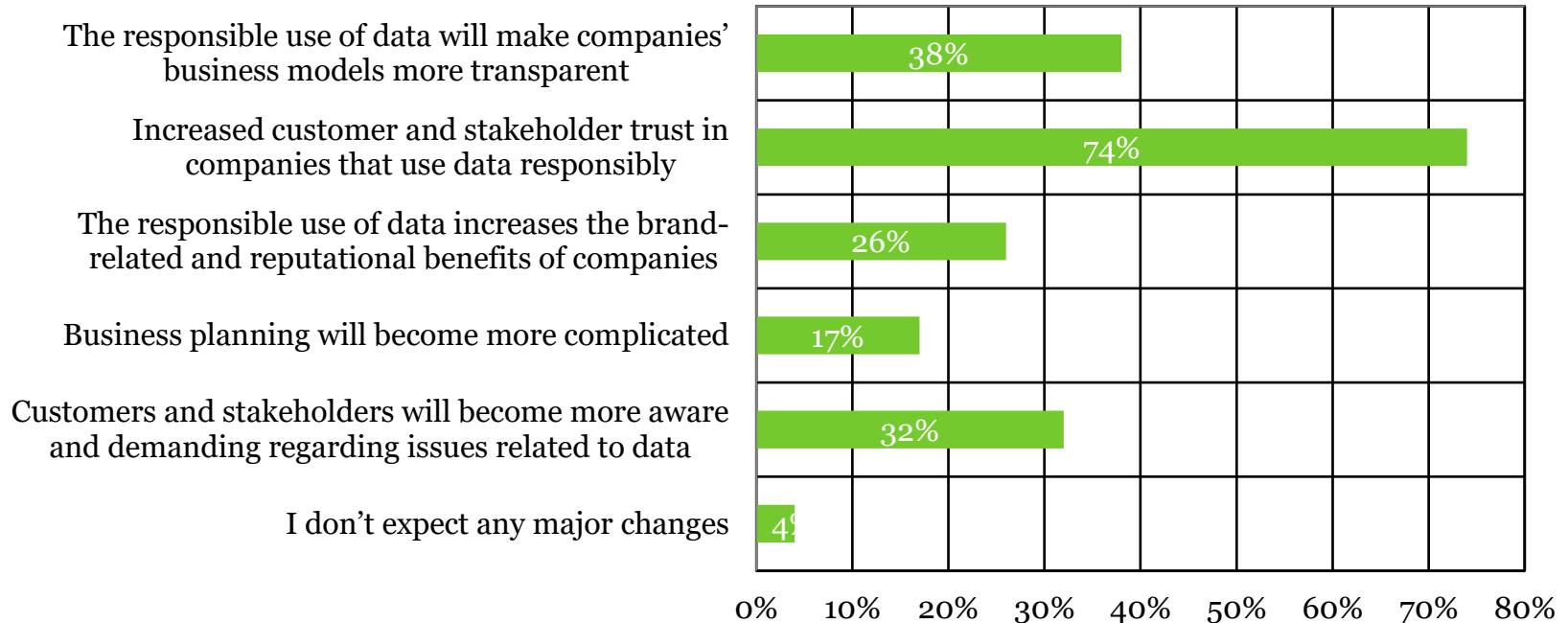0%   10%   20%   30%   40%   50%   60%   70%

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Data management model

- **A clear majority (62%) of the respondents said that a data management model has been created concerning data storage, and more than half (57%) had also created a model for the general management of data.**
- While 49% of the companies had created a management model for the use of data, only 40% of the respondents had created a model for data sharing.
- The least frequently selected answer was data acquisition, with less than one third (30%) of the respondents choosing that answer.
- Nearly one third (32%) of the companies indicated that a data management model had not been created for any of the above-mentioned areas.

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10. In your view, what aspects of companies and their operating environments are particularly affected by the responsible use of data? (Choose up to two answers)

Number of respondents: 47, number of selected answers: 90

| Aspect	Percentage
The responsible use of data will make companies' business models more transparent	38%
Increased customer and stakeholder trust in companies that use data responsibly	74%
The responsible use of data increases the brand-related and reputational benefits of companies	26%
Business planning will become more complicated	17%
Customers and stakeholders will become more aware and demanding regarding issues related to data	32%
I don't expect any major changes	4%

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The effects of the responsible use of data

- **A large majority (74%) of the respondents indicated that trust among customers and stakeholders is increased for companies that use data responsibly.**
- Over a third (38%) of the respondents believe that the responsible use of data will make companies' business models more transparent.
- Around a third (32%) of the respondents selected this answer: "Customers and stakeholders will become more aware and demanding regarding issues related to data".
- Approximately a quarter (26%) of the respondents indicated that the responsible use of data will increase the brand-related and reputational benefits of companies but, at the same time, 17% of the respondents were of the view that the responsible use of data makes business planning more complicated.
- Two of the 47 respondents representing companies did not expect any major changes.

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11. Our organisation's corporate responsibility strategy includes a data dimension

Number of respondents: 47

Yes	38%
No	45%
I can't say	17%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50%

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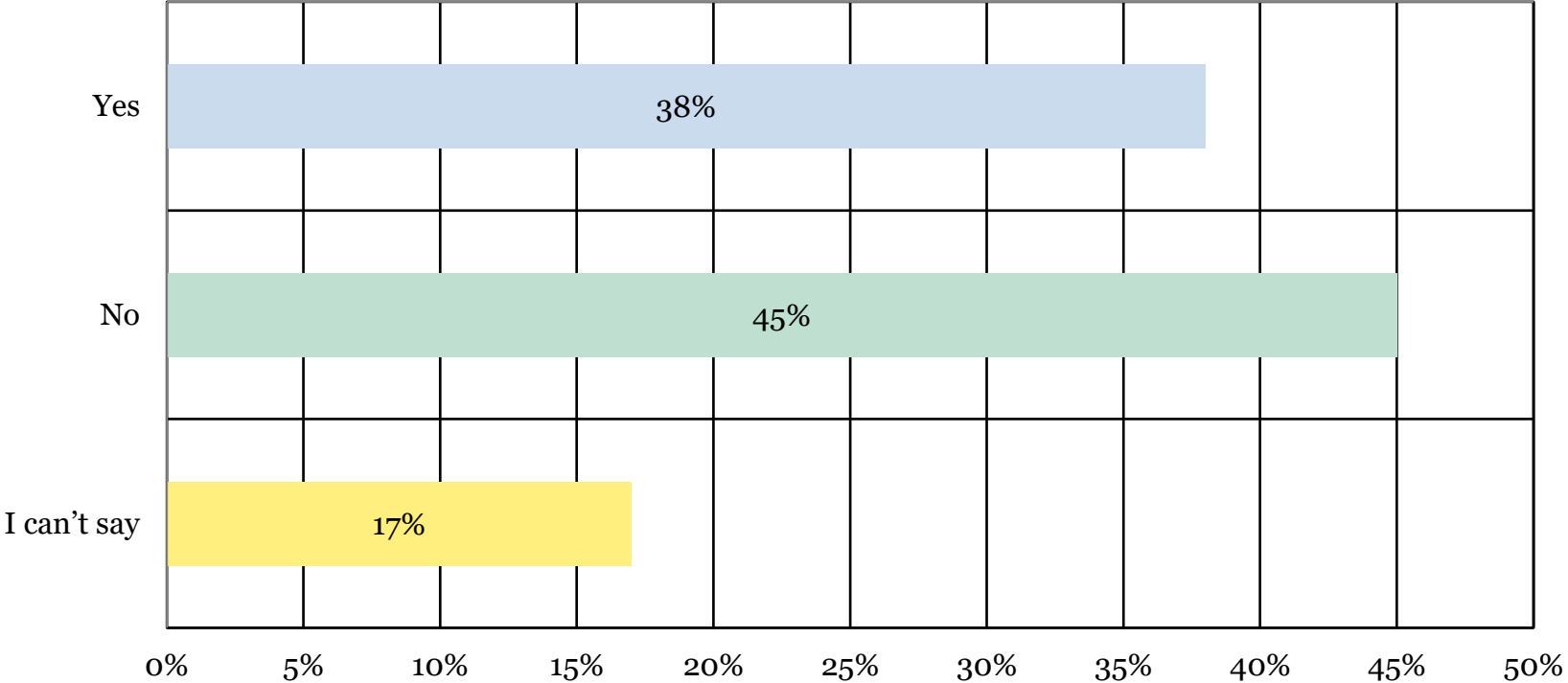
Corporate responsibility strategy and data

- Just under half (45%) of the respondents stated that their organisation had not taken the data dimension into account in their corporate responsibility strategy.
- Slightly over a third (38%) of the participating companies indicated that data is part of their corporate responsibility strategy.
- Some 17% of the respondents could not express an opinion on this.

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12. The corporate responsibility report produced by our organisation addresses the company's use of data as one reporting area/theme

Number of respondents: 47

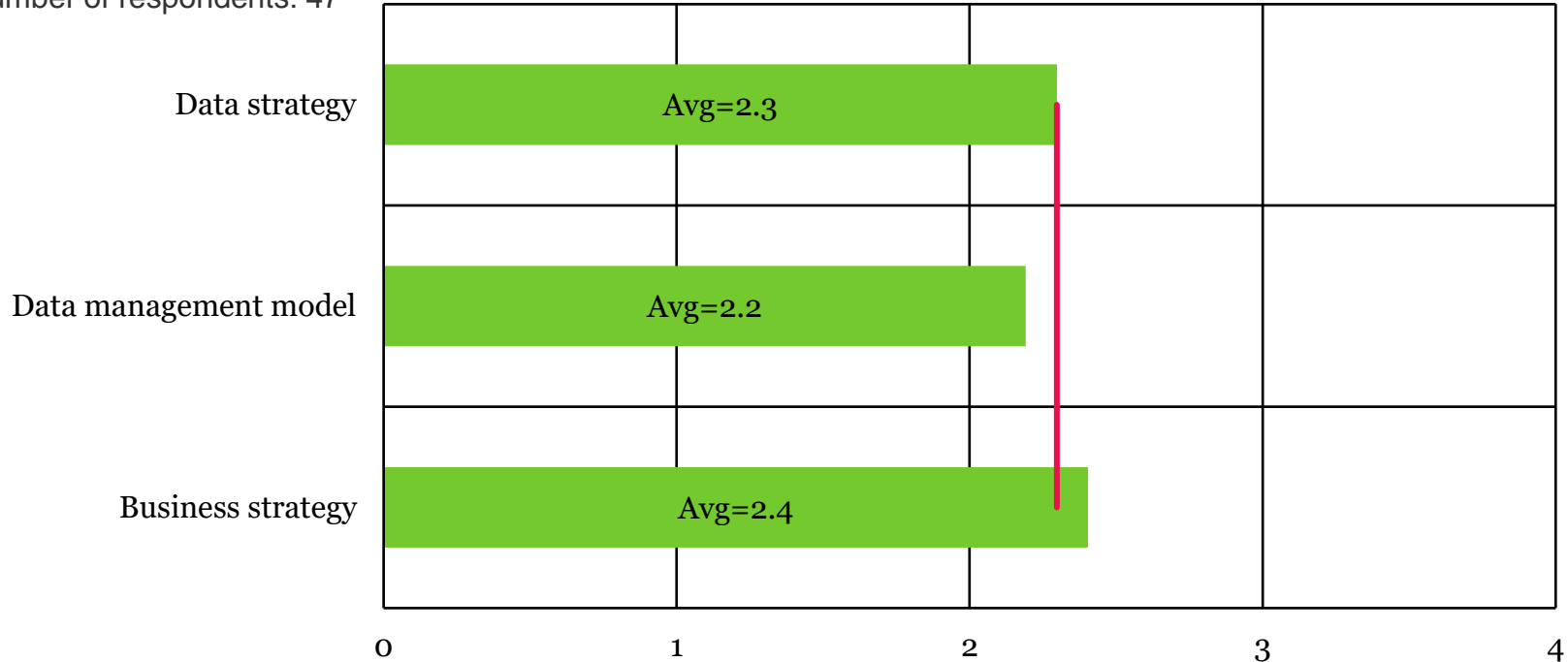|	
Yes	30%
No	55%
I can't say	15%

0%   10%   20%   30%   40%   50%   60%

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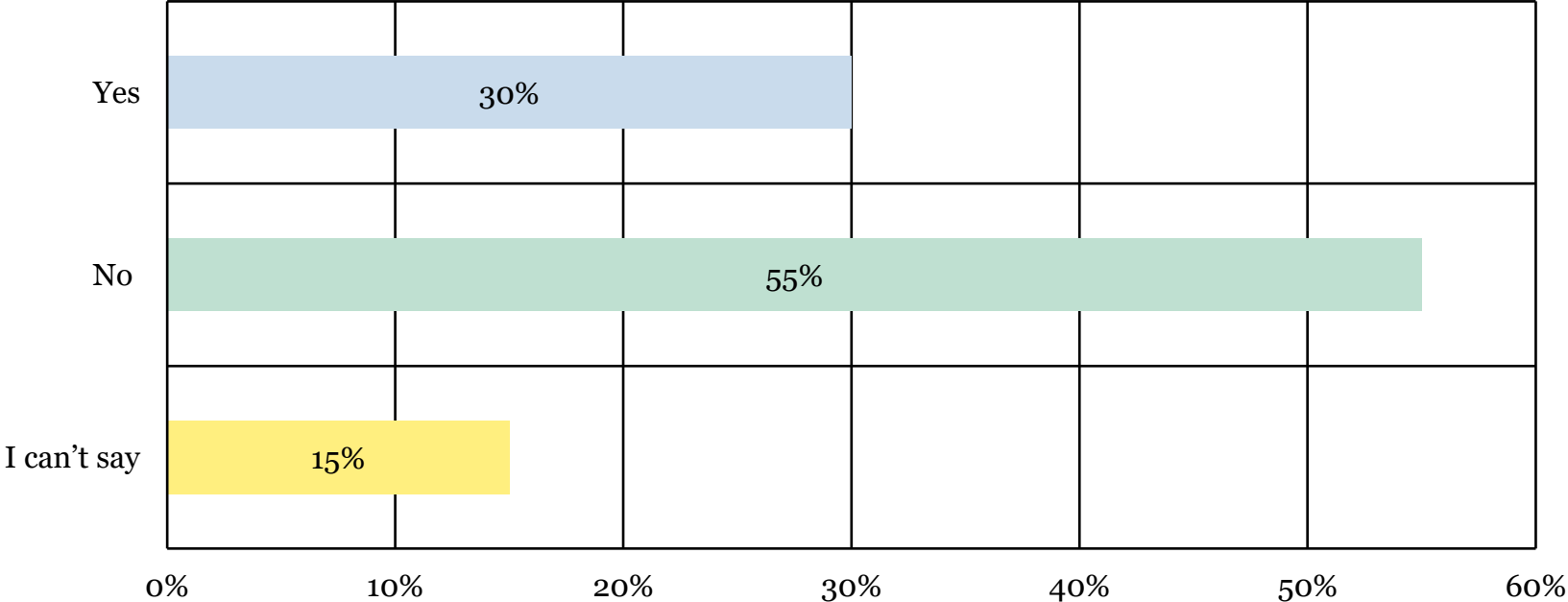
Corporate responsibility report and data

- A clear majority (55%) of the respondents indicated that the use of data is not covered by their organisation's corporate responsibility report.
- Less than one third (30%) of the respondents said that their corporate responsibility report addresses the issue of data use.
- A small proportion (15%) of the respondents could not answer this question.

13. To what extent do you think the ethical principles or responsibility issues related to the use of data are part of your company's...

Number of respondents: 47

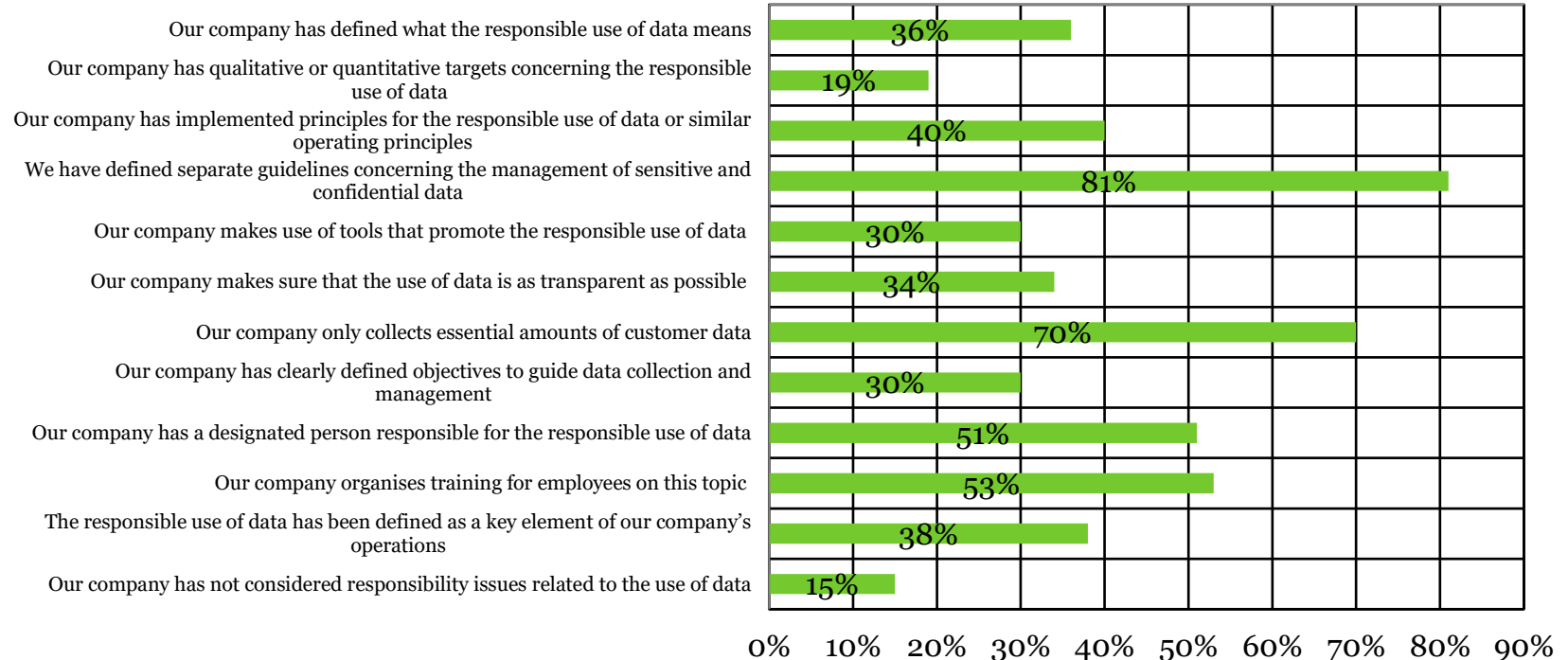|	
Data strategy	Avg=2.3
Data management model	Avg=2.2
Business strategy	Avg=2.4

0   1   2   3   4

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Strategies and the responsibility of data use

- The survey asked the respondents to evaluate the role and status of the ethical principles and responsibility issues related to the use of data in the company's various strategic areas. They were asked to rate the situation on a scale of 0 to 4 (from 0, mentioned only in passing, to 4, considered to a very good extent) separately for each of the following areas: data strategy, data management model and business strategy.

- More than half (53%) of the respondents indicated that the company they represent had considered the responsibility issues related to the use of data to a very good extent or a fairly good extent in their data strategy or business strategy.

- About two thirds (64%) of the respondents indicated that their company considers responsibility in their data management model to a very good extent or a fairly good extent.

- Just under half of the respondents (47%) said that the responsibility for data is barely considered at all or it is only mentioned in passing in the data strategy. Slightly more (49%) of the respondents rated this issue similarly for their company's business strategy. About one third (36%) of the respondents assessed the situation similarly for their company's data management model.

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14. In what ways has your company considered the responsible use of data?

Number of respondents: 47, number of selected answers: 234

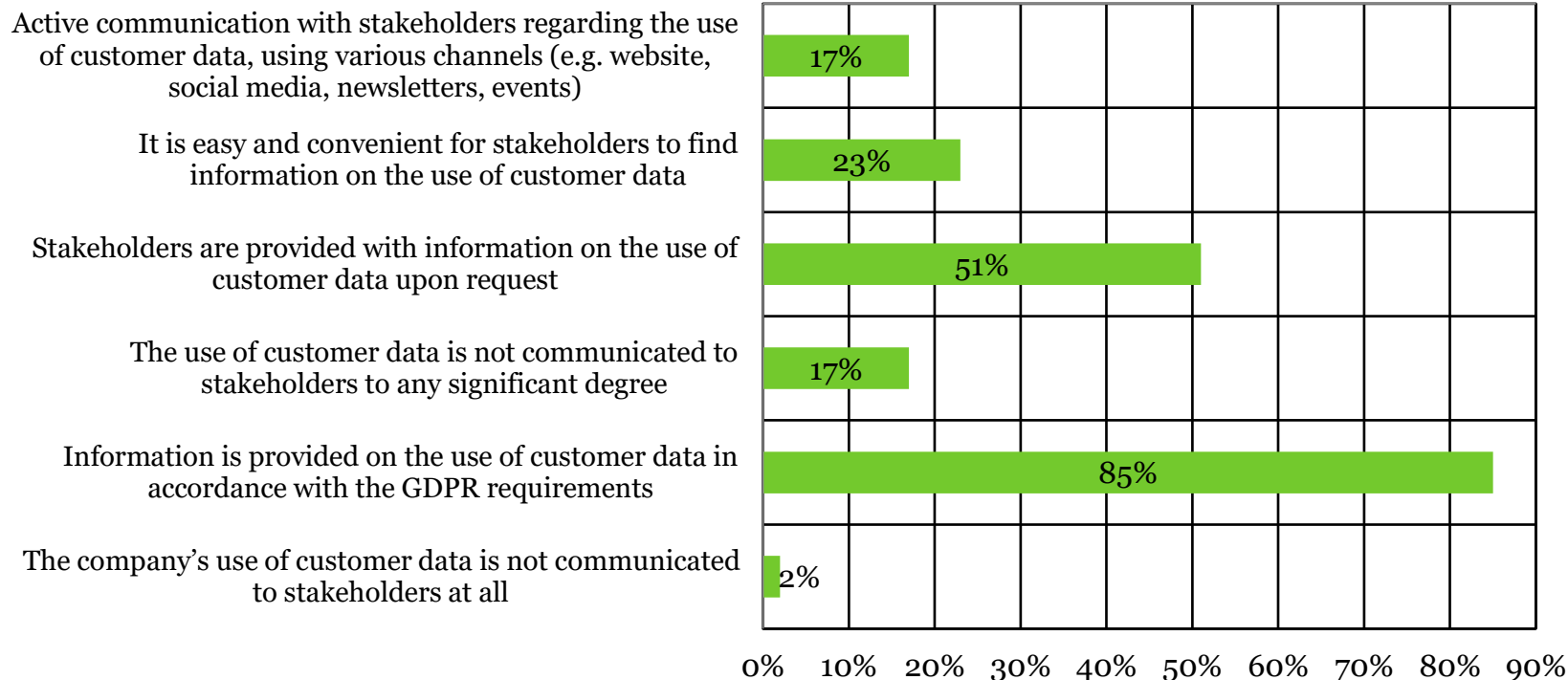| Statement	Percentage
Our company has defined what the responsible use of data means	36%
Our company has qualitative or quantitative targets concerning the responsible use of data	19%
Our company has implemented principles for the responsible use of data or similar operating principles	40%
We have defined separate guidelines concerning the management of sensitive and confidential data	81%
Our company makes use of tools that promote the responsible use of data	30%
Our company makes sure that the use of data is as transparent as possible	34%
Our company only collects essential amounts of customer data	70%
Our company has clearly defined objectives to guide data collection and management	30%
Our company has a designated person responsible for the responsible use of data	51%
Our company organises training for employees on this topic	53%
The responsible use of data has been defined as a key element of our company's operations	38%
Our company has not considered responsibility issues related to the use of data	15%

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The company and consideration for the responsible use of data

- **A majority (81%) of the companies indicated they have defined separate guidelines concerning the management of sensitive and confidential data.** 70% of the respondents also indicated that their company only collects an essential amount of customer data. 53% of the companies indicated they organise training for their employees on this topic, and slightly fewer (51%) also stated they have designated a person to be in charge of the responsible use of data.

- 40% of the companies indicated that they have implemented principles for the responsible use of data or similar operating principles. It is surprising that this percentage was as high as it is, considering the fact that data as an element of corporate responsibility is still a new idea even internationally speaking. Arrangements made in relation to the companies' GDPR projects is one possible explanation for this. 38% of the respondents stated that the responsible use of data has been defined as a key element of their company's operations. This suggests that the companies that participated in the survey have begun to think about the ethically sustainable use of data.

- In terms of corporate responsibility, however, we are still in the early stages of the journey, 34% of the companies stated that they make sure that the use of data is as transparent as possible, and 30% of the companies said they use tools that promote the responsible use of data.

- 30% of the companies have clearly defined objectives to guide data collection and management. 15% of the respondents stated their company has not considered responsibility issues related to the use of data at all.

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15. How does your organisation communicate with stakeholders, such as customers or consumers, on the responsible use of data?

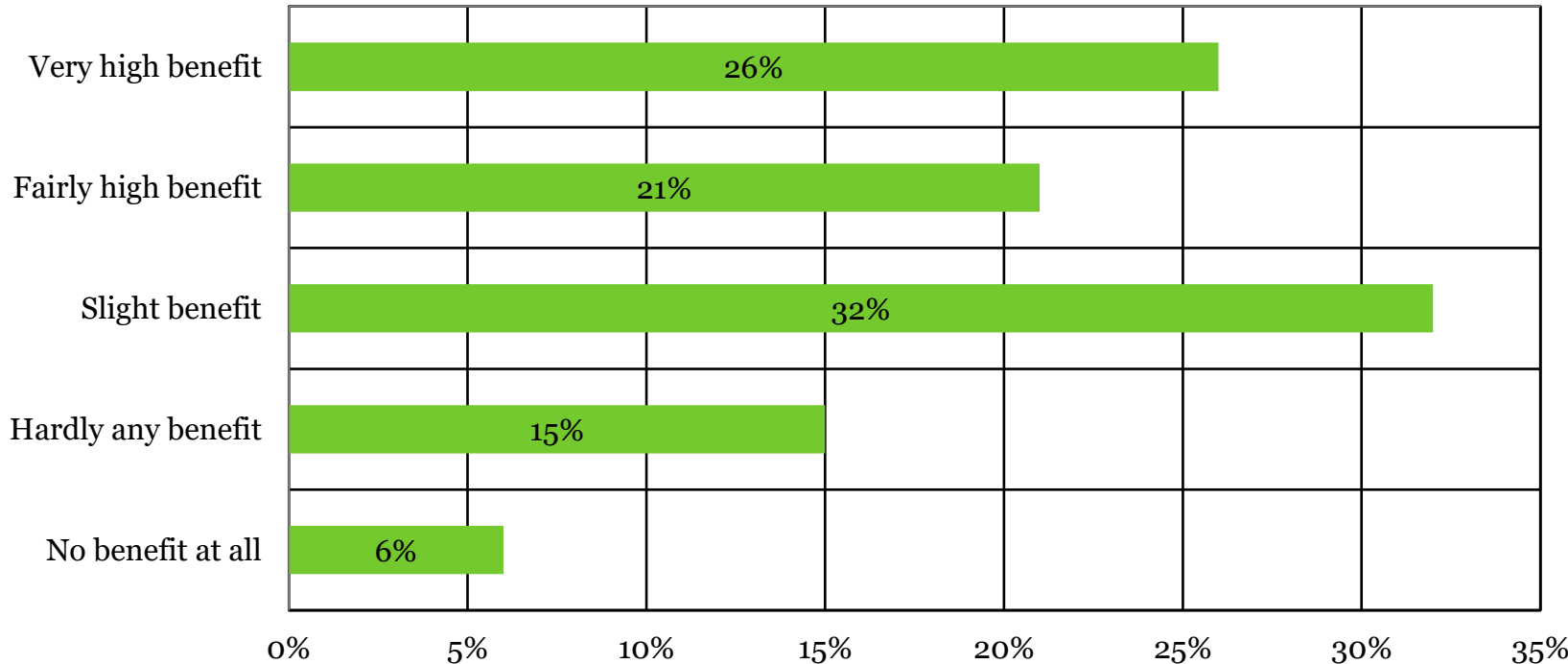Number of respondents: 47, number of selected answers: 92

Statement	Percentage
Active communication with stakeholders regarding the use of customer data, using various channels (e.g. website, social media, newsletters, events)	17%
It is easy and convenient for stakeholders to find information on the use of customer data	23%
Stakeholders are provided with information on the use of customer data upon request	51%
The use of customer data is not communicated to stakeholders to any significant degree	17%
Information is provided on the use of customer data in accordance with the GDPR requirements	85%
The company's use of customer data is not communicated to stakeholders at all	2%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%

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The organisation's communications on the responsible use of data

- **A significant majority (85%) of the companies stated they provide information on the use of customer data in accordance with the GDPR requirements.**
- More than half (51%) of the companies indicated that stakeholders are provided with information on the use of customer data upon request.
- About one fifth (23%) stated that it is easy and convenient for stakeholders to find information on the use of customer data.
- Less than one fifth (17%) of the companies engage in active communication with stakeholders regarding the use of customer data, using various channels (e.g. website, social media, newsletters, events), but an equally large share (17%) of the respondents indicated that the use of customer data is not communicated to stakeholders to any significant degree.
- One respondent indicated that the company's use of customer data is not communicated to stakeholders at all.

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16. Consumer goods use the Fair Trade label for products that comply with fair trade requirements. Do you think a similar fair data label would benefit your company?

Number of respondents: 47

	Percentage
Very high benefit	26%
Fairly high benefit	21%
Slight benefit	32%
Hardly any benefit	15%
No benefit at all	6%

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Fair data label

- **About half (47%) of the companies were of the opinion that such a label could have a very high benefit or a fairly high benefit.**
- One third (32%) of the companies indicated that such a label would have a slight benefit.
- One fifth (21%) of the companies believed that such a label would have hardly any benefit or no benefit at all.

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17. How has your company organised the responsibility issues related to the collection and use of data?

Number of respondents: 47

The responsibility issues have been centralised	42%
The responsibility issues have been decentralised	45%
I can't say	13%

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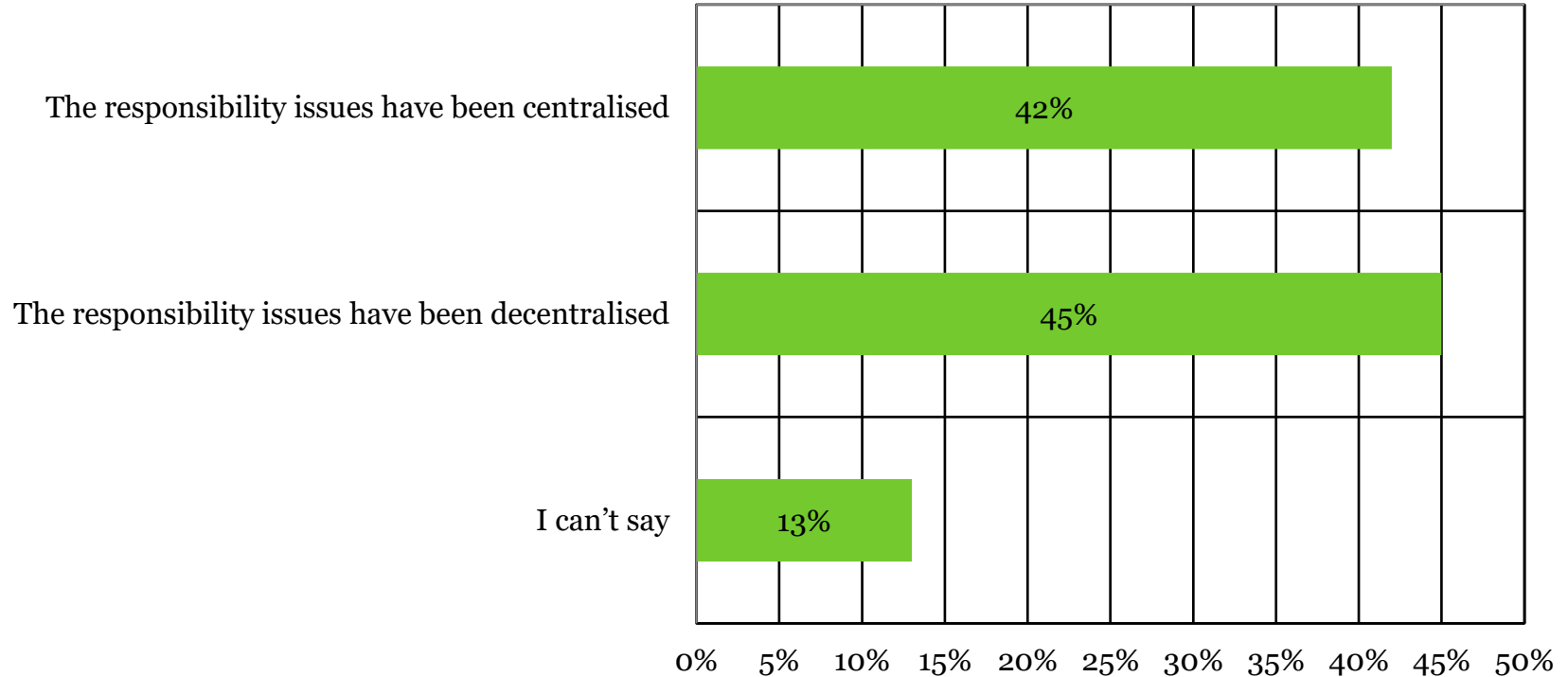
The organisation of data responsibility issues

- **Less than half (45%) of the respondents stated that data responsibility issues have been decentralised in their company.**
- Less than half (42%) of the respondents also indicated that data responsibility issues have been centralised in their company.
- A small proportion (13%) of the respondents could not answer this question.

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18. In my opinion, the responsible use of data is already at a good level in our company and this issue is given sufficient attention

Number of respondents: 47

Yes	30%
No	62%
I can't say	8%

0%   10%   20%   30%   40%   50%   60%   70%

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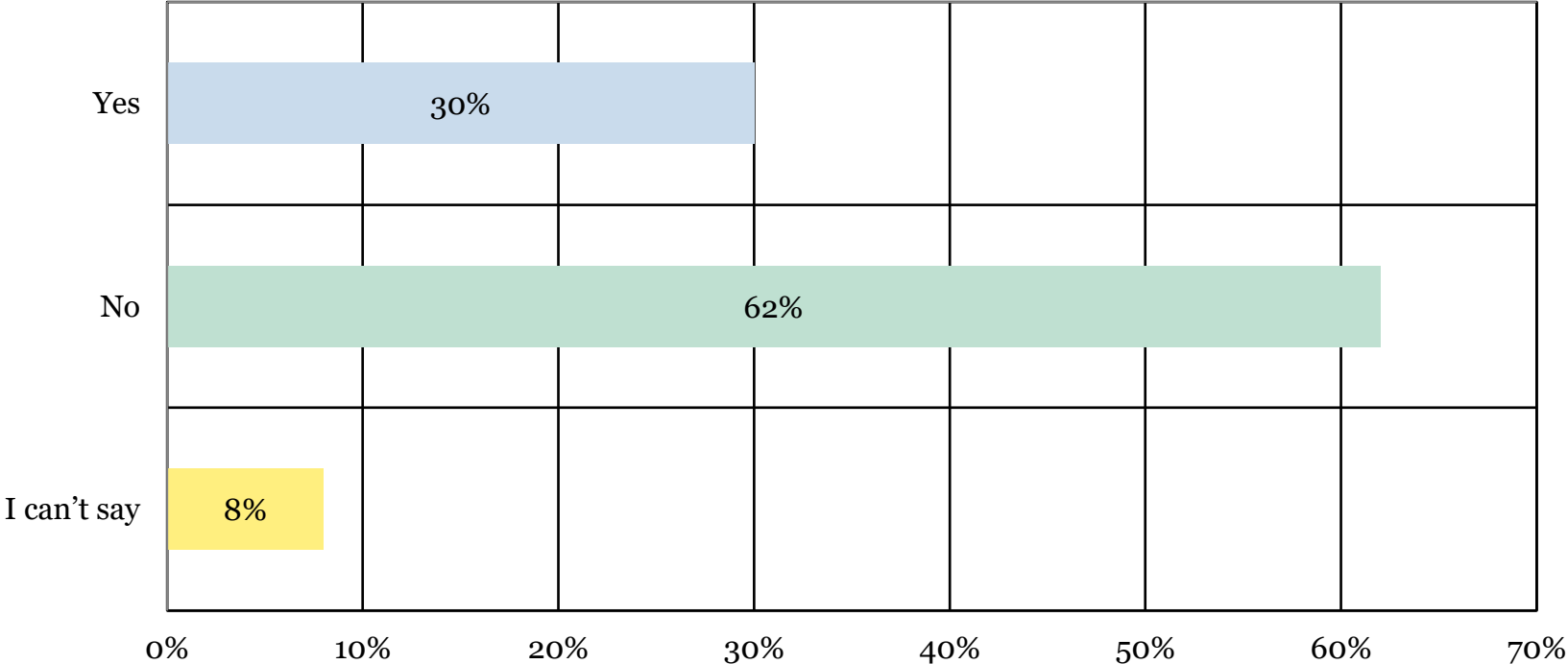
The company's level of data-related corporate responsibility

- **Well over half (62%) of the respondents indicated that the situation is not good for either area (responsible use of data and attention given to it).**
- Only less than one third (30%) of the respondents stated that data-related corporate responsibility is at a good level in their company and is given sufficient attention.
- A small proportion (8%) of the respondents could not answer this question.

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19. Our company needs support concerning the responsible use and sharing of data from various parties (e.g. the government and its regulatory and supervisory bodies, advocacy organisations, various networks and experts)

Number of respondents: 47

Yes	55%
No	26%
I can't say	19%

0%   10%   20%   30%   40%   50%   60%

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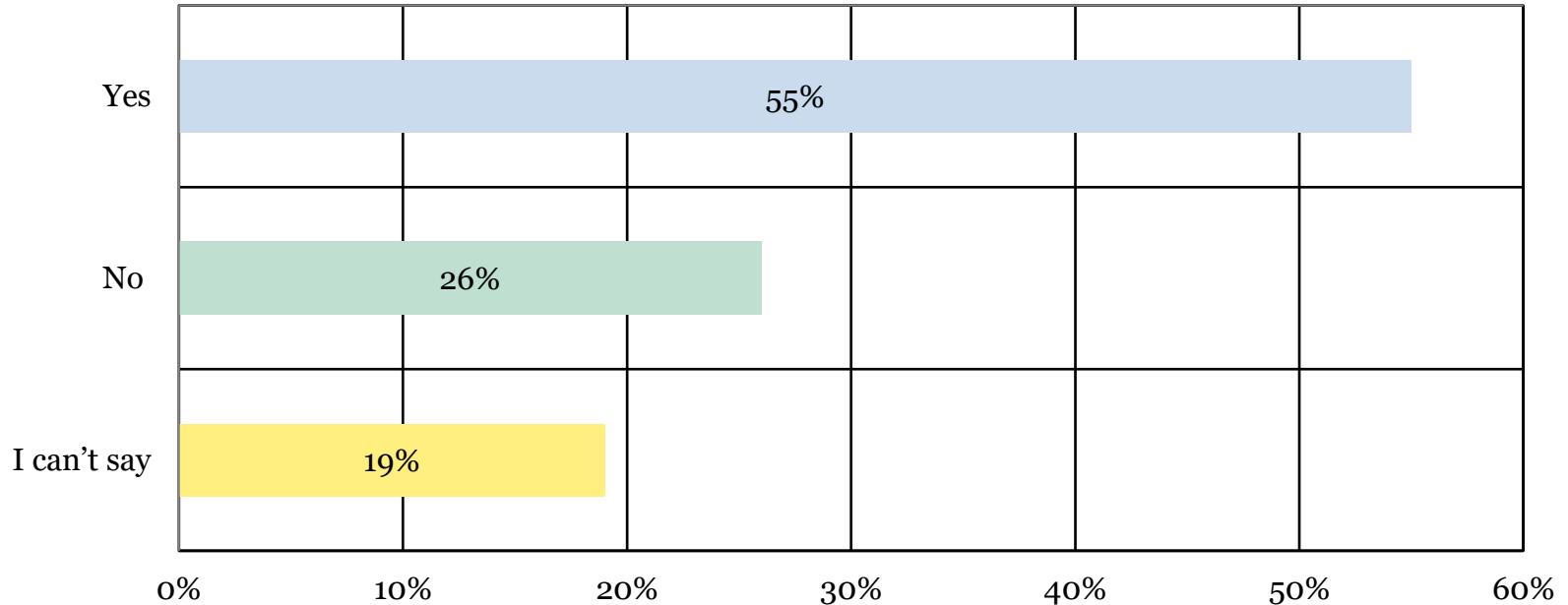
Support needed by the company with regard to data sharing and corporate responsibility

- **More than half (55%) of the companies indicated they need support with regard to data sharing and the responsible use of data.**
- Slightly over a quarter (26%) of the companies stated they do not need such support.
- About a fifth (19%) of the respondents could not answer this question.

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20. Our company aims to achieve a competitive advantage through the responsible use and management of data

Number of respondents: 47

Yes	66%
No	17%
I can't say	17%

0% 10% 20% 30% 40% 50% 60% 70%

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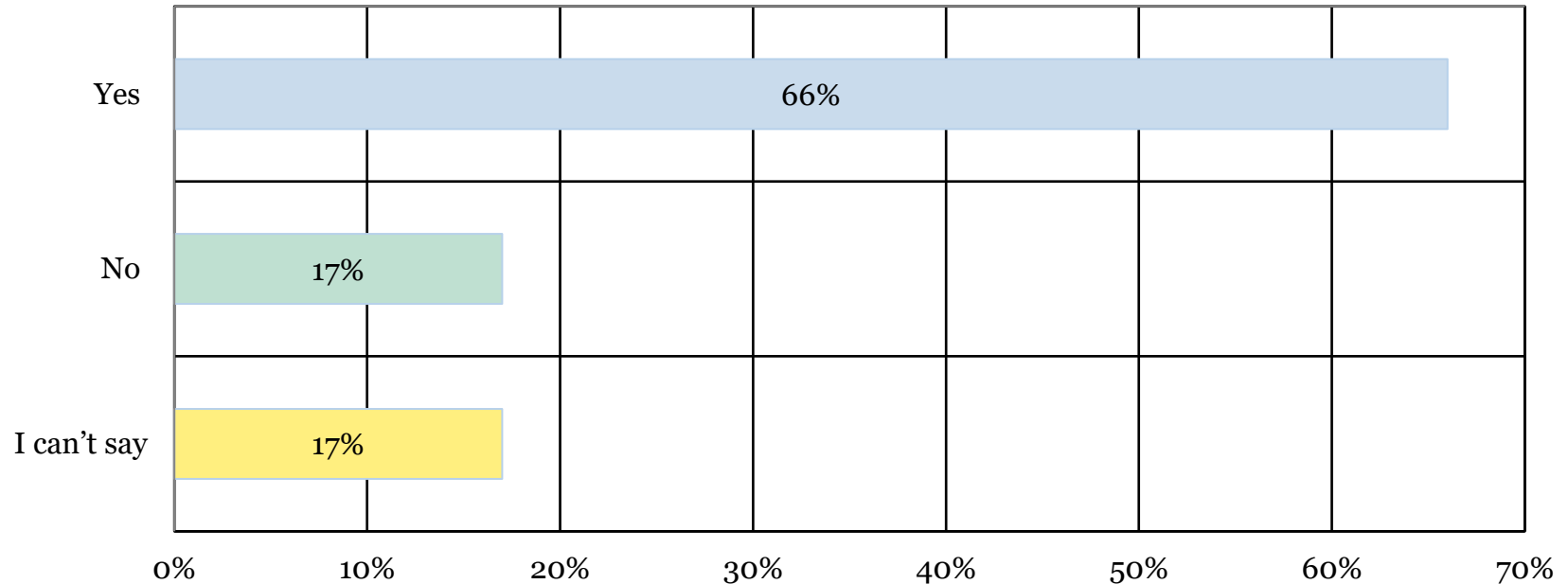
Competitive advantage from data-related corporate responsibility

- **More than half (66%) of the respondents indicated that the responsible use and management of data is a goal they pursue from the perspective of competitive advantage.**
- Less than one fifth (17%) stated that the responsible use and management of data is not an objective for their company.
- An equal percentage (17%) of the participating companies could not answer this question.

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21. In my view, the responsible use of data creates added value for the company's business

Number of respondents: 47

Category	Percentage
A lot	53%
Rather a lot	15%
To some degree	23%
Barely at all	9%
Not at all	

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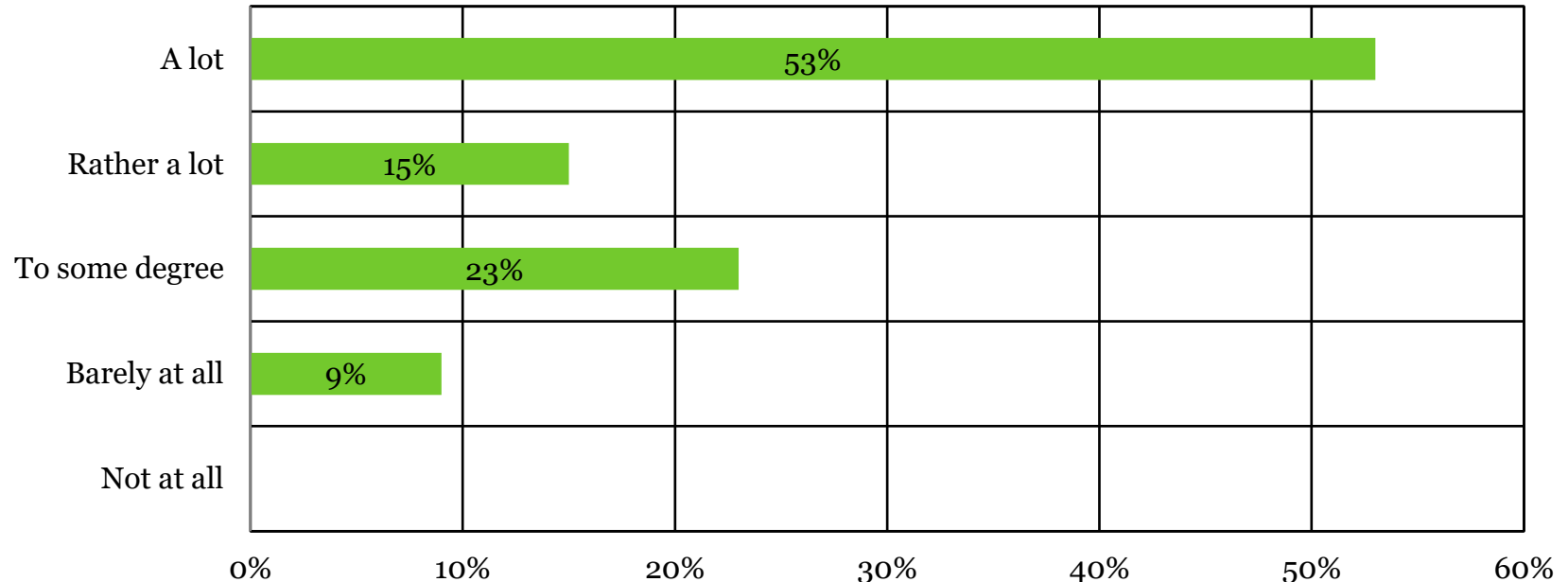
Creation of added value

- **A majority (68%) of the respondents estimated that the responsible use of data could create a lot of added value or rather a lot of added value.**
- About one fifth (23%) of the respondents believed that added value could be created to some degree.
- A small proportion (9%) of the respondents were of the opinion that there would be hardly any added value created, but none of the respondents stated that no added value would be created at all.

CONCLUSION AND OBSERVATIONS

- **Data plays a significant role in the future plans of companies.** Data is used very extensively to guide business decisions and there is confidence in its business potential.
- **Data competence and understanding varied between the companies.** Customer and marketing organisations have made use of data as a key element of their operations for many decades now, which explains why data competence was seen as being the strongest in functions such as sales, customer management and marketing. The development of data competence would be necessary in partnerships and ecosystem co-operation, which supports Sitra's previous company survey on the data economy conducted in 2019. Finnish companies have not yet reached a mature level of thinking when it comes to the creation of data networks and partnerships and evaluating the benefits derived therefrom. The situation was seen as being equally weak in the context of human resources management.
- **Deepening business partnerships was the most commonly cited motivation for sharing data.** The second most popular reason for sharing data was – somewhat surprisingly – social responsibility, which is encouraging for the future of data-related corporate responsibility. The view of the lack of ecosystem understanding and competence was further strengthened by the responses to the question concerning the motivations behind sharing data; accelerating the business ecosystem was the second least popular option in spite of fact that two thirds of the companies indicated they are already sharing data with other organisations.

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- **Data partnerships appear to have been formed organically through familiar operators and each company's immediate environment.** Operating as a member of data networks is seen as a significant avenue for taking advantage of new business potential, which is slowed down by the low level of competence among the companies that participated in the survey. Companies should invest in developing their competences related to the data economy and the new business models associated with it.

- **As many as half of the respondents did not have a data strategy in any of the suggested key areas.** This is worrying, as a data strategy is an important tool for taking advantage of the business potential of data and establishing an understanding of one's own data repositories. A data strategy should also address topics such as the sharing of data, but less than one third of the participating companies had included data sharing in their data strategy. The participating companies had not yet fully understood the significance and scope of a data strategy, and this is an area that should be given more attention than it currently is.

- **Nearly one third of the respondents indicated that they have not created a management model for data storage or data management in general.** However, these are the areas that a data management model has most frequently been created for. This indicates that the significance of a data management model in the management of data repositories has not yet been fully understood. It would be interesting to know whether these are the same companies that indicated they do not have a data strategy. It is somewhat surprising that less than one third of the companies have clearly defined objectives to guide data collection and management even though data has such a large significance in their operations.

- **The companies' own level of activity in communicating the use of data or taking other action is in conflict with the expectations.** When assessing the effects of the responsible use of data, a vast majority of the respondents seem to believe that companies that use data responsibly benefit from increased customer and stakeholder trust. One third of the companies also presume that the responsible use of data will make companies' business models more transparent and that customers and stakeholders will become increasingly aware and demanding when it comes to data-related issues.

- **The results suggest that the data dimension is not addressed to a substantial degree in corporate responsibility strategies and corporate responsibility reporting.** Since the respondents represented, to some extent, companies that have a particular interest in corporate responsibility, we can assume that the situation is actually even worse when all companies are concerned. This was to be expected, as seeing data as an element of corporate responsibility is still quite new, and there are no ready-to-use tools or easily duplicable operating models available for it yet.

- **Communicating the use of data appears to be a weakness in general.** Nearly all of the companies indicated that they provide information in accordance with the requirements stipulated by the EU General Data Protection Regulation (GDPR). More than half of the respondents stated that stakeholders are provided with information on the use of customer data upon request. Only a small proportion indicated that they engage in active communications on this topic, using various channels. This situation cannot be considered to be ideal from the perspective of corporate responsibility or individual people. Communication and transparency appear to be largely linked to the provisions of the GDPR, which are the basic requirements, and mere legal compliance does not create any added value for a company. Open and proactive communication would be an easy way to increase trust, but this opportunity has not yet been grasped by the companies that participated in the survey.

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- **Nearly half of the respondents were of the view that a "fair data label" would have a significant benefit. Only one fifth of the respondents believed that such a label would have hardly any benefit.** The majority of the respondents indicated that differentiating themselves from other companies in some way could be beneficial. Differentiation based on the fair use of data could be a brand-building factor and a source of competitive advantage. A survey of the general public conducted by Sitra in 2018 indicated that consumers would like to be able to identify companies that use data fairly.

- **A majority of the respondents indicated that the responsible use of data is not yet at the desired level among companies and that this topic is not given sufficient attention.** With regard to the use of data concerning individual people, pressure from consumers is a fairly new phenomenon, and the actions and thinking of companies are lagging behind to some degree. If we think of data-related corporate responsibility as, for example, a larger company having the responsibility to share its data repositories with smaller companies, this type of thinking is even more recent. This means that companies that act swiftly would have the opportunity to differentiate themselves, develop their competences and reap the benefits earlier than others.

- **A majority of the respondents indicated that their company aims to achieve a competitive advantage through the responsible use and management of data, and most of the respondents believe that the responsible use of data creates added value.** At the same time, well over half of the respondents said they need assistance and support from various parties. Support for making sustainable use of the potential of the data economy is needed from various sources, including regulation, expert organisations and other companies. In addition to competence development, there is a need to make the operating conditions more favourable to Finnish and European companies to enable them to compete with the giants of the international data economy on a more equal footing and to create data economy success stories in Europe that stand out by making fair use of data.

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HYVÄÄ HUOMISTA, SUOMI!

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