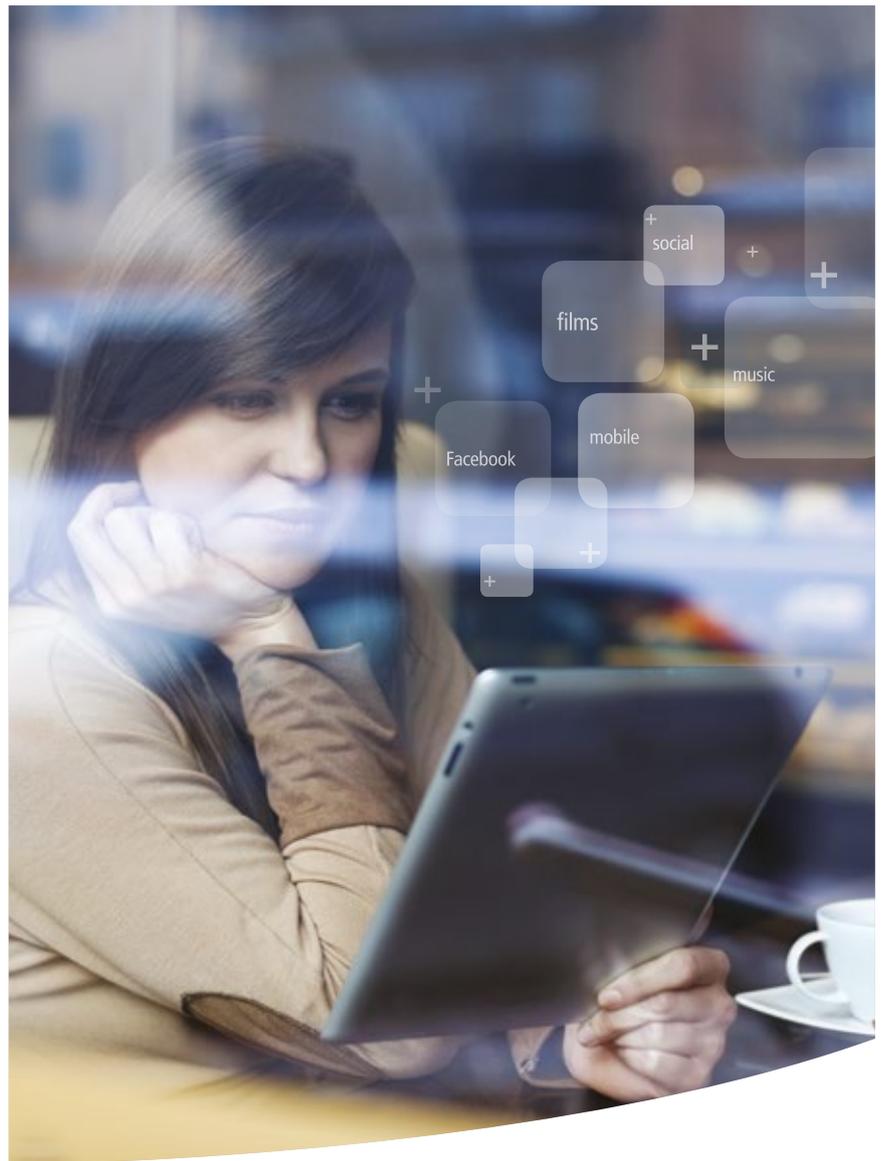


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PAPER

# Hidden midata opportunities for families, communities, houses and devices

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# About Sopra Steria and midata

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Sopra Steria delivers IT enabled business services and is the trusted transformation partner for private and public sector organisations across the globe. By combining in-depth understanding of our clients' businesses with expertise in IT and business process outsourcing, we take on their challenges and develop innovative solutions to address them efficiently and profitably. Through our highly collaborative consulting style, we work with our clients to transform their business, enabling them to focus on what they do best.

Focused on creating propositions for groups and individuals, Sopra Steria is taking a lead in the propositions, systems integration and transformation systems area of the UK Government's midata initiative. To this end we have been analysing and tracking the developments of midata programmes over the last 18 months, drawing on our knowledge of all the implication areas for midata (i.e. customer data, enterprise data, architecture, and customer relationship management).

## Introduction

Our previous white paper covered the current direction of the legislation, which is all focused on returning data to the individual. The paper uncovered some fundamental questions about what happens if the data is not owned by just one individual, or is created by a collective such as a community or group of people.

This ensuing white paper now considers the implications for planning propositions that cater to different usage and device types, in and out of the home context. It will focus on how to turn the concepts of midata into an opportunity for your business to engage your customers in a completely new way.

We will also overview how you can create compelling consumer propositions using personal data.

# Implications for business change

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**Sopra Steria believes that adoption of the Government-backed midata initiative is not progressing as expected. This is due to some businesses being wary of revealing that they hold inaccurate or incomplete customer data and, as such, being unable to effectively support an end consumer request or proposition.**

Companies adopting the voluntarily midata legislation scheme must be able and willing to provide consumers with access to their personal data in an 'open standard' and "portable, electronic format". The 'consumer data' principles that midata adopters adhere to include making the data available in a way that is "reusable" and "machine-readable" in as standard a form as is possible across sectors.

The Government is currently undertaking a review of the adoption of the midata initiative and is due to report shortly on its progress. In the recent Parliamentary debate, Minister for Business Jenny Willotts said that the report would help the Government decide whether to "require companies to release the data they hold on consumers"<sup>1</sup>.

Sopra Steria firmly believes that, regardless of the outcome of the current Parliamentary discussion, companies should proactively embrace giving customers (both as individuals and as the groups they belong to) access to their data in a format that works for them.

Despite the obvious opportunity to create meaningful dialogues with customers and find new ways to promote products and services, this prospect does have several planning implications for business:



## Implications for IT & legacy systems

It is clear that some current systems may not be set up to deal with the level of integration required to make interfaces available for channelling and transmitting customer data. However, this is rarely completely insurmountable, especially as data is already being extracted from those systems. In addition the advances in web services/SOA architectures also present opportunities to unlock that data for the first time.

Companies should consider how appropriate any planned system purchases are in terms of presenting customer data in usable formats. Any future systems planned should also be able to cope with the demands brought about by this new way of interacting with customers.

Companies should focus not only on extracting the data but also, crucially, on the quality of the data they hold about customers. Better quality of data opens up a myriad of co-creation possibilities, and companies should ensure that their data quality is as high as possible before offering it. If customers begin to gain more exposure to inaccuracies in the data they have provided (perhaps on multiple occasions) they may start to lose trust in the integrity of those organisations and their ability to use that data on their behalf.

## Implications for marketing

A poor quality data service with the potential to upset customers is just the start. In addition, some businesses will find that their marketing efforts are hampered by not having good quality data on which to communicate to those individuals. Consumers are increasingly upset by ill targeted communication and, in our view, will be ever more likely to turn to competitor service providers if they continue to receive mis-targeted offers.

Although individuals already have the right to request access to the personal data organisations store about them under the Data Protection Act, further legislation in relation to midata will demand a far more transparent and immediate process. As such businesses must get on the front foot and proactively disclose customers' data now in order to stay ahead of the competition.

## Implications for business strategy

Our recent experience suggests that there is currently a lack of knowledge about the existence of the midata initiative. Or, if there is awareness, some companies fail to understand the potential scale of change it may necessitate.

Another common issue is compliance-only thinking. By this we mean that a business does not see the benefits of engagement in the themes of midata but is, instead, comfortable to play catch up later on due to the relatively unknown future of the legislation.

Sopra Steria believes that if interacting with customers is only treated as a compliance project it will become driven by cost- /risk-based decisions. On the other hand, businesses have a great opportunity to turn data sharing with customers into a competitive advantage.

## Implications for customer service

A great deal of a company's current customer service responsibilities are orientated around responding to requests for help. The data that is used to manage and resolve an issue is largely unseen by the customer, even if it relates to an activity they have instigated themselves using self-service.

In our previous white paper we cited Lloyds Money Manager as an example of providing a service to customers based on their data. We believe this is indicative of an increasing move by organisations towards providing a service-based model. Unlocking customer data is key to this strategy. If propositions are developed on that basis, companies will be able to seek to differentiate themselves from their competitors based on providing excellent customer service. Organisations will be able to get to know their customers better through enabling their customers to interact with them and their data - essentially getting to know them, as opposed to merely competing on price. Unlocking customer data is key to this strategy.

## Implications for security

Many of our clients are naturally concerned with how they ensure the appropriate level of security in relation to facilitating 'ease of access' to data. This is likely to be one of the main points of contention regarding the legislation and the actual packaging up and sending of the data will need to be closely monitored.



There are a number of emerging technologies that allow for secure transit of data. Companies should also seek to leverage existing customer self-service accounts and processes, but will need to build in additional layers of security and user approvals across channel (e.g. text to their mobile, email and voice calls). There are already some tangible examples in the market of where this is beginning to work - for example Facebook has recently led with this thinking by allowing customers to download the information held on them within Facebook (pictures, content etc.). Following a number of approval steps, the information is downloadable as a single ZIP file.

## Implications for Risk Vs. Ease Of Access

Another possible reason why midata is not advancing as expected is a concern about how to tackle risks to customer data. This is a potential issue that is mainly in focus when something goes wrong, such as after a hacking attempt or theft.

While it is important to have comprehensive risk mitigation planning in place for a variety of eventualities, making this the primary focus of the themes of midata misses the true point and potential of midata. This truism is that midata should be seen as a hugely positive opportunity for companies and, with the appropriate security and service wrappers, any risk to customer data can be minimised.

## Implications for contractual agreements

As a company progresses towards its midata strategy there will naturally be significant changes in the way data is handled and managed. But that's not all: we believe that companies should also urgently assess the changes and impacts on their present legal and contractual relationships with their customers.

There are issues and opportunities around group ownership rights to data and this will become a core-concern for contractual relationships. That's because individuals will increasingly expect to be able to access both their personal data and the data of groups (e.g. their family, their street and their communities). Companies will need to have an effective plan in place to mitigate this situation. Due to the potential complexities in meeting this requirement this may mean focus from a company's legal team as well as support from various operational teams to understand any changes that may be required to enable the relationship.

This white paper considers the opportunities around group data in the following section.

# The hidden opportunities for leveraging midata – families, communities, houses and devices

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As outlined earlier, midata is presently very focused on personal data. This is an excellent starting point from which companies can develop their strategy. It is nonetheless, just that: a starting point. In trying to develop compelling propositions that can provide competitive advantage, the real opportunity is to use the principles of midata to leverage the growing generation of data by families, communities, homes and their devices.

Many of us are already personally experienced in the practical implications of this; for example, it is common for a family to share an Apple iTunes log-on. The family's main devices are set up using a single Apple account and this becomes the identity that drives apps, music, film and TV content.

This may not, however, reflect the usage of the devices and the subsequent data generated. Different members of the family will use the devices and data in a variety of ways and are likely to use each other's devices. Have you received an iMessage on a device intended for one of your children or perhaps logged onto the Xbox and started up where one of your children has left off in an interactive game?

So who 'owns' the family's collection of content and data in this case? We would suggest the more important point here is how companies are developing proposition that are able to service the multiple use cases of each potential user.



## Creating a proposition for families

midata will see significant growth in Personal Data Stores, but we believe the key to creating a proposition for the family is to consider how they behave together. As mentioned above, it goes beyond the joint sharing of devices; it is actually sharing an experience and an activity together that presents the greatest midata opportunity.

An interesting example here is the many Family Games mobile apps. The games are usually classified into age groups - Preschoolers (2-4), Little Kids (5-7), Big Kids (8-9), Tweens (10-12), Teens (13+), and are increasingly available across platform on mobile devices, TV and games consoles. Popular games such as GameRoom, Pictureka! Bop ill, The Game Of Life, Learning, Monopoly, Where's Waldo? Traveler's Quest and Scrabble all allow families to interact and compete on collaborative games together.

This is not simply interesting, but is exactly the model that companies need to consider when forming their propositions. Companies are also increasingly turning to this type of "gamification" as a way to interact with consumers and improve their customer service and brand recognition. It is also a way of forming relationships with different generations of consumer.

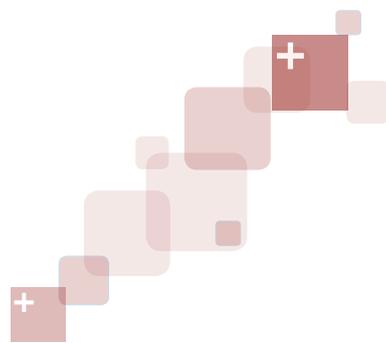
The emerging gamification phenomena can further create a healthy sense of fun and completion between the service provider and the consumer. For example Aviva offers a mobile app that allows customers to volunteer information about their driving in return for discounts and rewards. We believe that this will also be extended to the family in future developments.

## Creating a proposition for communities

Individuals and families also belong to communities. Potentially, even more than offering products and services tailored to the family, there is an incredible opportunity in connecting consumers within communities and helping them to understand how they interact and compare with each other. To a great extent Social Media is already acting in this way. But when a company is able to deliver back data on behaviours - both of the individual and how this compares to the collective - and complement it with unstructured Big Data sources, we really begin to see how the 'Internet of Things' (IoT) can be leveraged to create innovative propositions for communities of people.

Few companies, however, are in a position to readily cope with the idea of associated records. This is often due to a number of legacy factors, such as the architecture of existing systems and databases. In our experience, this is predominately due to a company not grouping its customers together or relating their data at the heart of its business. Many CRM systems, such as Salesforce, are used for this purpose, but they will rarely have all available customer data contained within them.

A question that needs to be worked through is how the development of a data-based proposition for communities or groups is administered. It needs to be done so in a way that every individual has the right to access their own data, but is clear on what aspects of each other's data can be accessed outside of the community/group view. This will be addressed in more detail in our next midata white paper.



## Creating a proposition for devices

Another aspect of making data available to customers is the need for companies to consider how, when and where the user will consume the data. They can then take actions based on the variety of different devices being used.

For example, a user's needs in accessing data on their smartphone may be very different to the data they want to access from their desktop. Timely alerts and updates on actions they need to take (or that you suggest they could take) might be highly appropriate to someone on the move, but constant pop ups and a need to log into self-service on their desktop PC may be a barrier to the free exchange of data that the midata legislation represents. As such companies looking to create propositions that are appropriate across all devices should consider applying the optimal user interface and user X/UI experience for each device in use.

We believe that to truly unlock potential propositions, business need to look beyond the obvious. The proliferation of so many more intelligent devices creates a wealth of additional data suitable for use by the customer.

## Creating a proposition for houses

It is also important to think about how connected devices will act in the home context in the future. Many companies have long been focused on communicating with customers at home and intelligent home technology - and the data it can return - offers many possibilities. For example, the forthcoming smart metering boom offers opportunities for energy companies to provide additional services to customers based around returning personal data to them in a proactive way to help them lower consumption.

In addition, after many years of conceptual discussion, several exciting technology deployments are now hitting the market. In the USA, TimeWarner<sup>2</sup> and Comcast have recently released a new system called IntelligentHome. This looks beyond their traditional cable, telephone and internet service offerings, and moves into the world of security and household automation, along with various sensors and automation features. Besides acting as an alarm panel and control hub for someone's home, the touchscreen can also display live, full-motion video from any connected cameras, act as a digital picture frame and run news, weather and sports apps.

This is an interesting area to focus on in terms of propositions. Recent acquisitions such as Google's \$3.2 billion purchase of NEST<sup>3</sup>, who have produced a number of interesting home devices, including a Learning Thermostat and the Protect smoke and CO detector\* show how organisations are expanding their focus into the smart home. As such, companies should consider how their products and services might be appropriate to the home - is data being generated that would be useful for your customer as well as informing your companies products and services- if so, there is great potential to create a proposition that can benefit consumers and increase your reputation for customer service.

## What practical steps can companies take to seize these hidden opportunities?

Businesses generally do not need to undertake a major overhaul of their existing IT/legacy systems to make customer data more available. Based on our experience of working with large companies, it is clear that most are already capturing the type of customer data that could be made available, but at present the information is geared towards their own purposes. For example, it is used to understand what customers are buying, rather than information being pushed out to the customer as an added-value service that enables them to make informed decisions about a companies products and services.

Why not instead scope out a programme of work to look at the various data assets, databases and integration methods? This would allow the company to ascertain a set of candidate projects that could be undertaken to create a 'reverse view' and expose the same data sources to customer channels.

As stated above, the technical change is a relatively small part of puzzle. Indeed it is in culture change that a more major transformation may be required. This is particularly prevalent within former or currently regulated businesses where customer information may be "siloes" into how they view their operational obligations.

The key to breaking through and progressing on this is to focus on the needs and requirements of the customer - engineering processes that orientate around how the customer views the organisation they are dealing with. Customers are, of course, not naive to the complexity of business, with many of them working in this context themselves. However, changes brought in by midata will accelerate customers' desires to have their voice heard in an Omni-channel context. They will want to feel, no matter the channel or type of interaction, that they are free to understand how they are personally viewed by their service provider.

Rival companies that focus on planning now and are pre-emptively making customer data plans will be able to keep up with customer demands for control over the use of their data much more easily. As such, they may go from being a smaller competitor to a major player in their market should frustrated customers seek to leave those not pursuing such a policy because they're not getting a clear view on their data.

The wider implication for planning here is that businesses need to be set up to cater to this demand right now, not just if and when the legislation makes it law.

Perhaps most importantly of all, there needs to be a mind-set change with businesses now considering how the data they hold can be useful to their customers and their own individual use cases, and not just retained & used for their own purposes.

# How Sopra Steria can help companies

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**In helping companies prepare for the changes brought about by midata, Sopra Steria frequently introduces the initiative to unaware clients. We also offer a refresh on the latest developments for clients that are already aware of its existence, but perhaps need help with how to respond.**

We engage with our clients to assess their readiness to adhere to the quickly changing midata requirements. This engagement may also see us explaining the new market being created by midata and how future changes will affect them, as well as how they can take advantage of the changing enterprise consumer relationship landscape. We will then help to define a strategy moving forward.

Many of our clients ask us to conduct a midata readiness workshop, after which we provide a report and recommendations covering:

- The potential impacts of midata and its themes in the market they operate in;
- The current state of preparedness of the business to comply with midata (split by Operational Areas);
- An initial suggestion on the possibilities for the business to take advantage of midata in terms of creating new propositions;
- Proposed Next Steps to create a programme of work and associated projects.

The impact of midata will be rapid. Sopra Steria can help businesses use it to create strategies for personalising products and services down to individual customer level. This ability to manage and serve customers at such a precise level will become fundamental to success.

If you would like more information on how we can help you build your midata strategy, please contact Sean Tomlinson  
- [sean.tomlinson@soprasteria.com](mailto:sean.tomlinson@soprasteria.com)



# midata Background

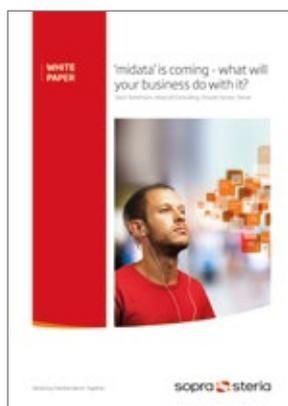
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**midata is a UK Government-led initiative from the Department for Business, Innovation & Skills that is being undertaken with leading businesses and consumer groups. It initially covers three main sectors, energy, mobile telecoms and consumer banking (both current accounts and credit cards). The Government has also expressed a desire to expand the sectors covered at a later date to include retail, other telcos, media and financial services.**

The initiative was established by the Government in 2011 and backed by major brands such as Google, Royal Bank of Scotland, British Gas and Visa. It is intended to allow consumers to be able to access their information quickly and to be able to use the information the businesses provide them with to “analyse, manipulate, integrate and share” the information “as they see fit”.

While the Government will ensure legislation and compliance, private enterprise will drive innovation and business focus. Businesses will need to develop strategies that encompass both these aspects of midata. Those companies that merely follow and comply are likely to lose out in this new digital marketplace. midata is part of a complex and rapidly evolving environment; a new data-rich space in which customers do business with their providers based on their personal information. As the scope and complexity of customer data grows, business will make increasingly sophisticated and innovative use of this data. It is extremely likely that industry-specific bodies will be established to influence this development. Therefore it is important that businesses establish early and effective strategies for how they will be part of this change.

While many organisations have initiatives that are underpinned by the message “putting the customer at the heart of our business”, midata will make this real. That’s because the driving force behind midata is to compel companies to give back to consumers their personal and transactional data in a standardised, portable electronic format. Consumers can then use this data in any way they see fit, such as forwarding it to competitors or third parties for quotes. The expected outcome of this is an explosion in services and products that will use this data, empowering consumers, promoting competition and driving the development of innovative products and services.



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*“midata” is coming –  
what will your business do with it:  
How your organisation can be at the  
centre of a new consumer data market.*

<http://www.soprasteria.co.uk/offerings/midata>

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# What's next for midata?

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**We're expecting to see an update on the Government's review of the progress of the midata initiative soon. The focus of the review is likely to be a proposal for how the initiative will actually compel companies to share with consumers the personal and transactional data they hold. This is likely to encompass a proposal around a standardised, portable electronic format for receipt of the data.**

The implication of this will be a clear ability for consumers to use this data to forward to competitors in a simple way that is not available at present. This will, in turn, encourage a new type of competition in the marketplace.

In Parliament there have already been discussions about the success of the scheme so far. For example, Stella Creasy, Shadow Business, Innovation and Skills minister, recently said in a parliamentary debate that the scheme "has struggled to have any impact for a simple and obvious reason: companies have little incentive to release commercial data that could convince a customer to go elsewhere." In addition, Rt Hon Ms Creasy called on the Consumer Rights Bill, which is currently passing through Parliament, to be amended to force businesses to "unlock" such data.

We believe that for a future-facing company, returning data to customers can bring competitive advantages not threats. midata has great potential to not only improve customer service, but also to drive innovation due to the need to react to the customer owning their data for the first time

For example, savvy providers will, in the future, be able to use the new data to personalise products and services. They will manage the personal and metadata they hold about customers to generate genuine business advantage over competitors. As such, should it become law, midata has the potential to drive positive business change. As mentioned in previous white papers, several companies such as Lloyds, Tesco and Aviva are already embracing the midata opportunity. Recently the first utility companies have begun embracing midata's potential; for example E.ON provides a toolkit for customers to break down their energy costs and allow them to compare their consumption to similar homes. This is giving customers a clear incentive to analyse their behaviour with the help of E.ON.

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*Customer centric transformation for next generation customer service: Solutions and services for improving customer focus and satisfaction across channels.*

*<http://www.soprasteria.co.uk/offerings/customer-centricity>*

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## About Sopra Steria

Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added-value and innovation, Sopra Steria enables its clients to make the best use of information technology.



[www.soprasteria.co.uk](http://www.soprasteria.co.uk)

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