



**INFO by Design**

It's about them - putting your customers at the centre  
of how you manage their information

# Privacy Week 2024

**Privacy is More than Compliance: Transforming Privacy into a  
Strategic Business Advantage**

Paul Holmes

# WHY PRIVACY MATTERS

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- New Zealanders care about their privacy rights as shown in the latest biennial privacy survey released by OPC.
- Getting it wrong is expensive:
  - Average cost of a data breach in 2024 is over \$7 million
  - Latitude Financial Services have said their breach has cost them over \$70 million dollars
- Good privacy practices aren't a value add, it is a core expectation that our customers, staff and stakeholders have of us as agencies.
- Leading companies are leaning into this and using privacy as a competitive advantage where they can differentiate from their competitors.
- With the emergence of GenAI it is more important than ever to get it right.



# CASE STUDY – APPLE

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- Began promoting privacy as a core value point in 2014
- Consistently emphasised privacy as a human right and one of Apple’s core values – “Privacy. That’s Apple.”
- Made a public commitment not to monetise user data.
- Openly promoted privacy enhancing technologies:
  - 2014 - iOS 8 introduced enhanced encryption
  - 2015 - Comprehensive privacy information on website and transparency reporting
  - 2016 - Public stance against FBI refusing to create a backdoor into iPhones
  - 2018 - Enhanced app permissions and anti-tracking features in Safari
  - 2020 – “Privacy nutrition labels” in App Store forcing developers to be more transparent
  - 2021 – Introduction of App Tracking Transparency giving users greater control over their data



# CASE STUDY – APPLE

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- Contributed significantly to brand loyalty:
  - 2020 survey found 64% of consumers trusted Apple with their data compared to 34% for Google.
- Enabler of premium pricing strategy:
  - Despite having smaller market share than Android in 2020 Apple took nearly 60% of global smartphone revenue and 80% of global smartphone profit.
- Changes led to a reduction of profits in ad-revenue driven competitors.
- Investors perceive Apple's strong privacy stance as a long-term competitive advantage which enhances its reputation and customer loyalty, reflected in share price and market capitalisation.



# MOVING BEYOND COMPLIANCE

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- On Tuesday, our Privacy Commissioner reinforced the point that privacy is more than compliance.
- Personal information is one of the most valuable assets any organisation holds in today's digital environment. Unfortunately, the investment profile doesn't match.
- A "Privacy Strategy" should be reframed in terms of how the value that can be generated from personal information as a strategic asset is being optimised.
- Presenting our mahi as enabling and value adding, rather than compliance focused.
- Key enabler for safe and effective adoption of new tech such as AI



# TRADITIONAL PRIVACY STRATEGY

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- Generally centered around compliance activities.
- “Lays out the goals of the agency’s privacy programme and how it will accomplish those goals” – digital.govt.nz.
- A traditional privacy strategy document includes:
  - Vision or mission statement
  - Work programme or key initiatives
  - Key risk areas
- Driven by the Privacy Office upwards, rather than a strategic framework outlined by senior leadership / governance.
- Short-term delivery focused – what we will do in the next 2 years.
- Limited governance or performance reporting to Executive / Board.



# TRADITIONAL PRIVACY STRATEGY - ISSUES

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- Aligned to compliance goals, not organisational strategy.
- Siloed and narrowly focused, often alongside other technical strategies such as data, security etc.
- Activity based rather than strategic.
- Presented in terms of “what we will do” rather than strategic benefits we can help to enable for our organisation and our customers.
- Fails to articulate how effective management of personal information is key to business success and the relationships and interdependencies that underpin it.
- Not driven from Executive and Board downwards.
- Constantly underinvested in and therefore missing opportunities.



# ALTERNATIVE APPROACH

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- We need to change our engagement with our Boards and Executives about “Privacy”.
- Shift the discussion from compliance focus to thinking about personal information as a core, value generating, strategic asset.
- This will enable effective discussions to happen from an investment perspective.
- Needs to be driven from the top, supported by technical specialists such as CIO, Privacy Officer, CISO, CDO.
- Requires cross-functional collaboration to facilitate a shift in the discussion at our Board and Executive Levels.





# ALTERNATIVE APPROACH

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- What if instead we focussed on working across the business to develop a strategy that focused on:
  - How we generate value from personal information for our business and our customers to achieve our business goals
  - What our key information assets are and how we are managing and investing in them
  - Who our key vendors and partners are that can help us to achieve our goals
  - How our compliance and risk capabilities can help us to realise our goals responsibly
  - What internal resources we have available to enable us to do it
  - What are our key activities that generate value from personal information and how they are managed
  - What channels we engage with our customers through and how we can leverage them for best results
  - How we engage externally and transparently on what we are doing and why
  - How we monitor and report on our performance to enable effective oversight and governance



# ALTERNATIVE APPROACH

Category	Questions to answer
Generating Value	<ul style="list-style-type: none"><li>• What are our organisation's key strategic goals?</li><li>• How much of our ability to realise these goals is dependent on the use of information about our customers and prospective customers?</li><li>• Can we measure the value we are generating from this information and how?</li><li>• What are the areas where we can gain a competitive advantage from better management and use of this information?</li><li>• What are the key initiatives underway to improve our ability to generate value and gain a competitive advantage?</li></ul>
Key Information Assets	<ul style="list-style-type: none"><li>• What are the key data assets where we store personal information?</li><li>• Who is the business owner for each data asset?</li><li>• Do we understand how the information within them is used to generate value?</li><li>• Do we understand the risk profile of these assets and how are we making sure they are operating within our risk appetite?</li><li>• How and when are we investing to:<ul style="list-style-type: none"><li>• Optimise the value we generate from these assets?</li><li>• Ensure that they are effectively protected?</li></ul></li><li>• Where is our ability to generate value constrained by issues with the quality or accessibility of the information within these data assets?</li></ul>



# ALTERNATIVE APPROACH

Category	Questions to answer
Vendors and Partners	<ul style="list-style-type: none"><li>• Who are our key partners that we work with to store, manage and use personal information to generate value?</li><li>• Who internally owns the relationship with each one?</li><li>• What information do they access or store on our behalf?</li><li>• What high value business activities do they support or are they involved in?</li><li>• Do we have the right contractual terms and controls in place to ensure our information is protected?</li><li>• How do we continuously validate that they are the right partner, and we are optimising our relationship with them?</li></ul>
Compliance & Risk	<ul style="list-style-type: none"><li>• How do we define our risk appetite in relation to the information we hold and the technologies we operate?</li><li>• What legislation, regulations and standards do we need to comply with across our operations?</li><li>• What are our compliance obligations in relation to the information we store and how can we ensure we are meeting them?</li><li>• What risk assessment processes do we operate and how can we optimise them?</li></ul>



# ALTERNATIVE APPROACH

Category	Questions to answer
Internal Resources	<ul style="list-style-type: none"><li>• What are our internal capabilities to ensure we can optimise the value we generate while meeting our compliance obligations?</li><li>• What specialist skills do we need across the domains of privacy, security, data governance, information management?</li><li>• Where do we have skill or resource gaps that will constrain our ability to support the business to reach our goals?</li><li>• What are we doing to invest in our people to uplift performance and capability?</li></ul>
Key Activities	<ul style="list-style-type: none"><li>• What are our key business processes that generate value from personal information?</li><li>• How is personal information used in the development of new products and services?</li><li>• How do these align to our strategic goals and where are the opportunities or mismatches?</li><li>• How do we document these so we have a record of what we are doing and how (ROPA)?</li></ul>



# ALTERNATIVE APPROACH

Category	Questions to answer
Channels	<ul style="list-style-type: none"><li>• What are the key channels we use to:<ul style="list-style-type: none"><li>• Engage with our customers?</li><li>• Collect information about them?</li><li>• Deliver value back to them?</li></ul></li><li>• What issues or constraints are there that prevent us from achieving our goals?</li></ul>
External Engagement	<ul style="list-style-type: none"><li>• Who are our key customer segments that we have information about and how do we generate value from them?</li><li>• Who are the key stakeholders we have relationships with and how do we manage those relationships to ensure we are maximising our ability to generate value and minimise risk?</li></ul>
Monitoring and Reporting	<ul style="list-style-type: none"><li>• What measures do we have in place to monitor our performance and utilisation of personal information to generate value?</li><li>• How are these reported to governance functions for oversight?</li><li>• How can we report on our compliance status in relation to our key compliance obligations?</li></ul>



# PERSONAL INFORMATION CANVAS

<b>Vendors and Partners</b> <ul style="list-style-type: none"> <li>• Key partner relationships</li> <li>• High risk relationships and how we are managing them</li> <li>• Known issues under management</li> <li>• Contract renewals and procurement processes</li> <li>• Upcoming / recently completed assessments</li> </ul>	<b>Compliance &amp; Risk</b> <ul style="list-style-type: none"> <li>• Key risks and how we are managing them</li> <li>• Compliance status</li> <li>• Compliance issues under management</li> <li>• Upcoming regulatory changes</li> <li>• In progress and planned risk assessments</li> </ul>	<b>Generating Value</b> <ul style="list-style-type: none"> <li>• Key strategic goals</li> <li>• Estimates of value generated</li> <li>• Areas of competitive advantage</li> <li>• Key initiatives underway or planned</li> </ul>	<b>Channels</b> <ul style="list-style-type: none"> <li>• Priority customer channels</li> <li>• Issues and constraints</li> <li>• Planned enhancements</li> </ul>	<b>External Engagement</b> <ul style="list-style-type: none"> <li>• Key customer segments</li> <li>• Key external stakeholders</li> <li>• Current and planned engagement activities</li> </ul>
	<b>Internal Resources</b> <ul style="list-style-type: none"> <li>• Key roles and responsibilities</li> <li>• Skill / resource gaps and their impacts</li> <li>• Capability building actions</li> </ul>		<b>Key Activities</b> <ul style="list-style-type: none"> <li>• High value business processes</li> <li>• Records of Processing Activities</li> <li>• Issues and constraints</li> <li>• In progress and planned new products or services</li> </ul>	
<b>Key Information Assets</b> <ul style="list-style-type: none"> <li>• High value and high risk information assets</li> <li>• Current status and ownership</li> <li>• Investment plan</li> <li>• Issues and constraints and remedial activities required</li> </ul>			<b>Monitoring and Reporting</b> <ul style="list-style-type: none"> <li>• Current performance measures and how we are tracking</li> <li>• Summary of governance reporting</li> </ul>	



# HOW TO OPERATIONALISE

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- Need a C-Suite level sponsor who can champion and help facilitate engagement.
- Cross functional engagement will be essential.
- Don't over-engineer it. Start with a business process you have information about and build out a proof of concept.
- Start with a facilitated session with Board / Executive to:
  - Explain why privacy is more than compliance.
  - Generate a discussion on the value generating role personal information has within your operations.
  - Propose treating personal information as a strategic asset.
  - Present the proof of concept and seek endorsement to proceed.



# EXPECTED BENEFITS

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- Taking a strategic asset approach to personal information should:
  - Break down siloes and improve cross-functional collaboration across key disciplines.
  - Shift Boards and Executives perspectives on privacy / personal information from compliance to value adding.
  - Enable discussions about why it is important to invest in the protection and maintenance of personal information assets.
  - Make it easier to communicate the organisational benefits of the role that privacy, security and information management generate.
  - Improve organisational performance.





# Questions

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- If you would like to discuss any of this material in more detail, please contact me at:
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