Welcome

Dentons' CPD Bootcamp

November 14, 2018

Chasing shiny objects

A practical guide to managing the
challenges of transformative technology

November 14, 2018

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Agenda

1. Why is data making a difference, and what makes a "transformative technology" transformative?

2. Things to think about before you commit

3. Unexpected challenges

4. Some practical steps to manage risk and exposure

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Why data?

Six reasons why data is more important than ever:

1. **Training machines with data**
   - Training machines with data is starting to become a mainstream way to solve complex business problems. Gartner describes the promise of AI-driven analytics as "to amplify the speed and scope of human expertise in a wide range of business decision making".

2. **Sensing the physical world in real time (e.g., internet of things)**
   - It is estimated that 25% of all data will be real-time by 2025, and 95% of that real-time data will be driven by IoT.

3. **Humans augmented with data**
   - Head-mounted displays, earbuds and smart watches are examples of wearables that deliver data to the user, whilst microchips can be implanted to capture data (e.g., health data) or initiate gesture commands. Wearables will contribute to the growth of endpoints, which also include cars, phones and IoT sensors. Going beyond data to augment workers with AI is predicted to generate $2.9 trillion in business value and recover 6.2 billion hours of worker productivity.

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Why data?

4.   Reliance on data in daily life

- More online interactions and interactions with digital homes, appliances, vehicles and wearable and implantable devices. What's more, these interactions will become more automated over time, creating a life increasingly dependent on data.

5.   Stronger data rights for individuals

- Business and government use of personal data is now so extensive that governments around the world are moving to regulate its use so as to safeguard citizens (e.g., GDPR, PIPEDA).

6.   Data on a the balance sheet

- International Data Corporation predicts that by 2027, data assets will be valued on balance sheets in accordance with GAAP standards. Data as a Service (DaaS), defined as "the process of locating, extracting, deriving, aggregating, enriching and curating various types of data from social media, Internet of Things, government, and corporate data for resale in the form of value added content" is a strong contributor to this change in the status of data.

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Why transformative?

Big Data Business Model Maturity Index:
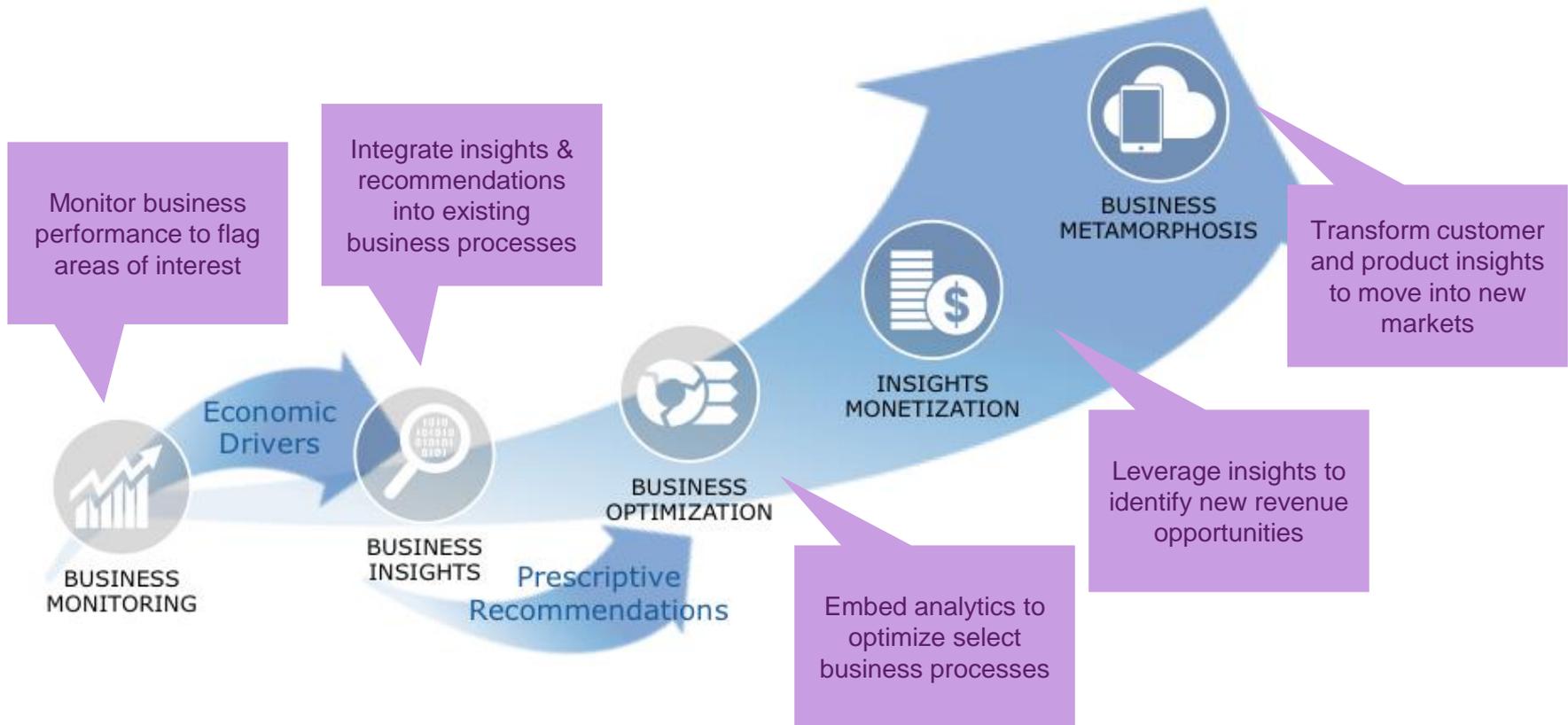
Things to think about before you commit

- Do you need to do this and what is the goal?
- What is the problem you are solving for?

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Things to think about before you commit

- Do you have the data?
  - If no, where is it going to come from?
    - Open source? Data brokers? Partners?
  - If yes, have you assessed:
    - Quality?
      - Accuracy, validity, appropriateness
      - Privacy restrictions
      - IP restrictions
      - Contractual restrictions
    - Quantity?
    - Technology
      - Build it? Buy it?

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Unexpected challenges

Case Study #1: When Cars Become Mobile Phones on Wheels

- New kind of manufacturer – hardware, software and how do we fit into the infrastructure?
- Triggering new responsibilities – what are our obligations under privacy laws and data security requirements?
- It's my first time – partnering with non-traditional partners
- Data retention – how long do we retain data and why?
- Law enforcement and data – obligations?

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Unexpected challenges

Case Study #2: Customer Intimacy (aka the line between cool & creepy)

- New inputs – geolocation info, transaction info, wearables, facial detection or facial recognition
- New outputs – consumer segmentation, consumer insights, risk scoring, personalization
- New data economy – enrich your data set by combining it with someone else's
- Aggregation and anonymization
- Meaningful consent

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Ten steps to Manage Risk

1. **Scope the project appropriately**
   - The first data set probably shouldn't be your mission critical financial information

2. **Break down internal silos**
   - Marketing's hot new game-changing promo may be Legal's nightmare fuel

3. **Know the legal landscape**
   - With new technologies come new (or at least, unfamiliar) laws

4. **Understand your risk tolerance**
   - Chatbots are great…unless they turn into insult-spewing racist commentators

5. **Not all surprise are good**
   - Just because you can, doesn't mean you should

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Ten steps to Manage Risk

6.   Cybersecurity

- Your building security is different from your IT security – make sure you keep up

7.   Know who you're in bed with

- Those two guys with the cool geo-location app

8.   Who gets to do what with the data

- Everybody wants a piece of the pie – how big is yours? theirs? will you share?

9.   Obtain meaningful consent

- What is "meaningful consent", and should you bear the risks associated with obtaining it? Or should it be someone else?

10. When things go wrong, make sure you know what to do

- Who do you notify, what steps do you take, and who covers the cost?

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Thank you

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Transformative Technologies and Data Strategy Group

Kirsten Thompson, National Lead
Kirsten.Thompson@dentons.com

Karl Schober
Karl.Schober@dentons.com

Dentons Canada LLP

77 King Street West

Suite 400

Toronto, Ontario M5K 0A1

Canada

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