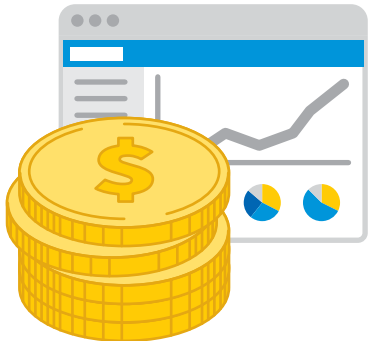# Yellowfin

How to Monetize Your Data

(You Don't Have to Sell It)

The Alchemy of Business Byproducts

Ever heard of Marmite or Vegemite — the yeast extract spreads — and wondered what they actually are?

If I told you they were a waste product, half of you reading this would declare that they taste like waste too. But if I told you it was an ingenious way to make money from a byproduct of brewing beer, the other half of you reading this would declare that you tasted the genius in the sticky black goo and knew this was a spread only for the discerning.

Breweries used to tip thousands of pounds of frothy yeast down the drain every month. It was useless. But Justus Liebig discovered he could make this brewery waste edible. He concentrated it, heavily salted it and created Marmite. The company, founded in England in 1902, still manufactures over 50 million jars a year. Cyril Percy Callister of Australia followed soon after with Vegemite in 1920 when Marmite imports from Britain were interrupted following World War I. Today, 22 million jars of Vegemite spread are sold every year. Love it or hate it, Marmite and Vegemite are brewery waste monetized.

The list of industry byproducts made into profitable business is endless. Worm excrement becomes fertilizer. Cow guts become tennis racket strings. Coal tar becomes artificial sweetener. Background knowledge from daily work becomes a best-selling book.

So what has any of this got to do with data? See the connection between data and yeast extract? No, probably not.

So here it is…

'Justus Liebig discovered he could make brewery waste edible.'

Data Is Your Business' Byproduct

You use data to monitor and improve your business. Data isn't your business. It's a byproduct of doing business.

In fact, some companies generate more data than they can process. Every customer and supplier transaction produces data around web browsers, plug-ins, cookies, temporary files and so much more. This is 'data exhaust'.

But you don't have to be into 'big data' to make money from your metrics. The quantity of waste yeast produced by breweries doesn't affect their ability to make money from selling it. (But data monetization certainly does not require you to sell your data!)

Don't know where to start? Here's our guide to monetizing your data.

What is Data Monetization?

First, let's define what we mean by data monetization. In this guide, we simply mean: Making a measurable, positive impact on business revenue through the use of data.

This gives you an enormous amount of scope for making money beyond the traditional idea of selling your data to third parties. There are two main ways you can make money using data: indirect and direct data monetization.

But why monetize your data? You can generate revenue by either utilizing insights to enhance your business operations and services (indirect), or create a supplemental revenue stream by offering access to your data (direct).

Indirect Data Monetization

Indirect monetization includes all of the ways you can impact your bottom line without the data ever leaving your business.

It is adding value to your own operations, not selling it to someone else. Indirect is about gleaning insights into your business, customers and clients and making changes that create a measurable impact.

If you can't measure the impact of the actions made based on data insights, you are not monetizing your data.

What actions could you take to indirectly make money from data? A few examples are opposite.

And there are many more methods of indirect monetization of data besides. You are limited only by your creativity and willingness to mine and analyze your data.

As a byproduct of indirect data monetization, you are also enhancing your business and setting yourself up for further success. What's not to love?

How to make money from data
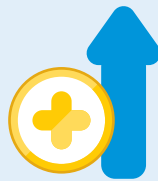
Enhance your product or service
Discover your customers' secondary problems and solve them with an enhancement of your product or service, such as 'similar product' recommendations or price optimization.
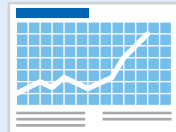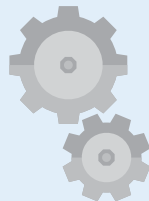
Drive sales and marketing
Understand why and how customers use your product to enhance your targeting for better leads, more engaged customers and more effective spending

Reduce costs
Take a look into your data to see where you could save money by streamlining operations, such as reducing stock or upgrading cost-heavy business tools

Improve productivity and efficiencies
Monitor how efficient, and therefore how productive employees, operations and processes are, then optimize your resource allocations so you achieve more in a shorter space of time
and remove hindrances to becoming truly efficient.

Enter new business categories or service new types of customers with your product or service
Discover other business categories or new customer types that could benefit from your product or service to generate more business.

Reduce risks and improve compliance
With reduced risks, you reduce costs, and with enhanced compliance, you can charge more for your certified services or products.

Develop new products/services or markets
With data, you can discover gaps in the market and customer problems that have not been addressed to back the launch of a new product/service or even a new market.

Direct Data Monetization

The second method of making money from your data is direct.

But don't fall into the trap of thinking that this means only selling your raw data. Consider 'direct' to mean 'directly converts to revenue'.

Yes, you could sell raw data if you have huge amounts of it and are willing to navigate the enormous complexities of data privacy policies and red tape that varies from country to country. But direct data monetization is far broader than this.

You can give other businesses access to select segments of data, or just your data insights from analysis.

The benefit of directly monetizing your data is that you can use data as an asset and create a whole new revenue stream. Sometimes, this can become a business in its own right

Many organizations will pay good money for big data. The applications are endless. From using telecommunications data for planning the control of epidemics to using restaurant menu data to help food producers anticipate the demand for particular ingredients.

You must just remain aware of the policies and legal requirements surrounding the exchange and sale of data for every nation in which you directly monetize your data.
Data privacy is a hot topic, and a privacy breach could ruin your brand's reputation.

A few options for direct monetization
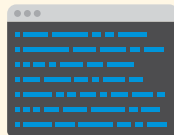
Create an API (or several)
Consider creating an app that allows customers to access their own data (via an internal API) from within your company, or build external APIs that allow third party software to interact with your data (where you control what data is exposed). Think Twilio, Google Maps and social media 'likes' or sharing available outside of the social media platform.

Create a self-service platform
Self-service platforms, such as self-service quotes, your own app store or Facebook's ad platform, allow others to interact with your data insights (or insights from a combination of your data and those of external sources).
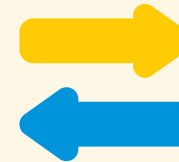
Sell advertising
Allow businesses to target their customers with advertising on your platform using the data you have acquired on your users.

Package your data
There is no point in creating all this wonderful data unless it's in a form to be easily consumed and digested by your clients. Package it up.

Barter or trade with your information
Use your data to gain benefits for your business, customers or clients. You could provide your data in return for performance benchmarking against your competition, or barter for free services or favorable terms and conditions for your customers in return for select data insights.

Sell your data analysis
Significantly more helpful than just raw data is data already analyzed. If you have the resources to analyze data, you can sell the analyses to businesses who would find your insights helpful to their own business. This could include report subscriptions.

Selling your data
If you have big data, you could license your data as a retailer or wholesaler for use by other business, or you could sell it through brokers. This could be raw data or pre-segmented.

Steps to Prepare
for Direct Data Monetization

So you think you might be able to directly monetize your data. But how do you decide this is the route for you?

First, consider the following:

- Do you have a high volume of data or very frequent transactions to provide a large enough database to find significant insights?

- Is your data reliable and usable?

- Does your data provide valuable insights that have wide appeal?

- Do you have the resources required to develop, rollout and manage the selling of your data?

- Is it legal to sell or exchange the data where you are located and where it will be used?

If you decide you have the right data with enough appeal to profit from its sale, you will need to prepare the ground.

Proceed with Caution

Again, just a reminder to ensure you are complying with the policies and laws of your country or state and those of the country or state where your data will be used. Data privacy is a serious topic.

Six Steps to Put the Wheels in Motion

1. Create a strategy
Know what data you intend to sell or allow access to and for what purposes.

2. Know your data
Ensure you have an inventory of all your data so you know the full scope of what you can and cannot offer, who the data would appeal to, and any insights you had not previously been aware of.

3. Look around you
Many businesses are directly monetizing data and the breadth of methods is ever expanding. Take time to look at what has already been done to fuel your ideas.

4. Find your customers
Determine who your potential customers are and test the market for interest.

5. Prepare your data
Ensure your data is ready for selling. This could require de-identification, segmentation, analysis or other preparation.

6. Test
Test your ideas before you throw in all your resources. Discover what is a viable revenue stream, and test different methods to ensure you choose the option with the best returns.

Case Studies

How different businesses have made their data work for them.

If you want some concrete examples of how different business have directly and indirectly monetized their data to create new revenue streams, here are some case studies for inspiration.

Each example on the following pages is from a different industry and looks at what data they collected and how they chose to sell or utilize their data. Take a look at these and research other business case studies before you decide on a method of monetizing data in your own business.

Disclaimer: All of these businesses are Yellowfin ISV partners and have used Yellowfin BI solutions to help enhance their businesses.

Pentana Solutions | Automotive SaaS Provider

Pentana Solutions specializes in software for automotive dealerships. It is a leading ERP and IT solutions provider across the Asia Pacific region with over 3,000 dealerships using their software. They provide a range of tools specific to the industry, such as a supply chain management software, warranty software, a virtual parts warehouse and more.

Through these delivering these services, Pentana Solutions has gleaned and created valuable data, including sales and services details for the majority of automotive transactions in the region. But this data was generating no revenue.

So Pentana chose the direct monetization route. Partnering with Yellowfin, providers of a sophisticated Business Intelligence (BI) analytics solution, Pentana produced a BI module for their automotive dealership customers. This enabled them to **sell real-time data analytics**, allowing their customers to report on all of their own data in real time, easily visualizing their dealer network.

What is unique about the Pentana Solutions BI module is that it receives daily feeds from all of Pentana Dealership's Dealer Management Systems. This allows Pentana to **offer industry benchmarking** for their clients as an additional service.

From delivering multiple industry-specific SaaS tools to also providing BI visualization and industry benchmarking, Pentana Solutions has monetized their data for the benefit of their clients and Pentana's own bottom line. In addition, by providing these extra services, Pentana has also leapt ahead of their competitors through their innovation with data, ensuring they keep the biggest share of the industry's clients.

" Pentana has… leapt ahead of their competitors through their innovation with data"

LocalEdge Media | Internet Marketing Provider

An internet marketing and Hearst Media Services company, LocalEdge provides a range of services including social media management, search engine optimization and reputation management.

LocalEdge is constantly generating data on the performance of clients' internet advertising and marketing.

This data is crucial for building client trust by enabling LocalEdge to prove that it has met their contracted performance levels and is delivering a good return on investment. These metrics are brought in the form of Proof of Performance (POP) reports.

Although LocalEdge had been providing reports for each client for over 10 years, the reports were resource intensive, inflexible, costly to enhance and outdated. Sales people were becoming less inclined to use the reporting because it looked poor and its performance was unpredictable. As the business grew, LocalEdge also wanted to report on more complex statistics but were constrained by the current set-up. Their POP reporting was becoming a liability.

By analyzing their data, LocalEdge identified that not having sufficiently reliable reporting on their data was hurting their business. In addition, they realized that implementing a state-of-the-art reporting solution would give them a competitive edge in the media market. So,

they **enhanced their data reporting solution to improve their bottom line.**

LocalEdge chose to work with Yellowfin to build new and sophisticated means of displaying dashboards that permitted access via the web to only the metrics each customer needed. The reporting solution was easy to maintain, looked smart and was easily customizable. Clients received reporting on metrics over 15 different products — a detailed view that had previously been difficult access.

By reporting in this new format, LocalEdge were able to affect their bottom line by reducing staffing costs due to lower report maintenance, and were able to deliver leading POP reporting that kept clients engaged with their performance metrics.

The sales team could also rely on the reporting and therefore deliver with more confidence in LocalEdge and the services they provided.

LocalEdge never sold their data, but they were able to affect their revenue by significantly enhancing their services — they chose indirect data monetization.

" LocalEdge never sold their data, but they were able to affect their revenue"

RFi Group | Financial Data Specialist

The RFi Group is a business making money from selling its data in the financial market. They're data specialists, but that doesn't mean you couldn't do a similar thing too.

RFi Group surveys over 350,000 consumers annually – some of the largest and most comprehensive financial research in the world – to glean in-depth data about the financial market and the performance of the world's leading financial service providers.

RFi Group combine this vast amount of data with local knowledge and industry expertise to provide decision support for leading banks.

They sell their data insights in the form of consulting that is driven by data analytics. RFi also sell clients their data insights directly in the form of papers, reports and market monitors that are tailored to each market and various areas of banking.

Financial businesses can also monetize their own data with RFi Group by exchanging specific data points for comparative performance analysis against their competitors in return.

Using BI tool Yellowfin embedded in RFi Groups'

Beyond Analytics Platform, the company has also started to offer live, real-time analytic reporting to their customers. Now, it's not only diagnostic analytics that RFi can provide, but also predictive analytics. Clients can now see market trends and monitor key performance metrics for themselves

RFi have taken their big data and turned it into multiple streams of revenue, directly monetizing their analytics.

" They sell their data insights in the form of consulting that is driven by data analytics."

Conclusion

Data is an asset.

It has untapped potential to positively affect your bottom line.

You could choose to internally utilize your data to streamline operations, enhance your services and goods, cut costs and identify new opportunities. Or, you could use data as a new revenue stream, as an asset in its own right that you can sell access to.

How are you going to uncover your data's potential?

For more information on how your data can work for you contact Yellowfin:

yellowfinbi.com
sales@yellowfin.bi