

## Cities removing friction from open data driven business

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Open data as a concept has become widely known, but still many businesses have not fully seized the opportunities that open data can provide for commercial purposes - adding that extra little something to their ad campaigns or services they build for their clients. Even those businesses, which are aware of the business prospects open data could provide for them, are not necessarily familiar with all the data that is available. Some companies that actually have utilized open data have come across access or quality issues or have faced the uncertainties with the reliability of the APIs their product is built upon<sup>1</sup>. Challenges are familiar also for the city of Helsinki, which in a recent study from Frost and Sullivan<sup>2</sup> was ranked advanced in almost all other aspects of open data, except for the Commercial Roadmap, where the progress was rated moderate.

To remove issues that are creating friction around open data driven business, Helsinki together with the other five largest Finnish cities - Espoo, Vantaa, Turku, Tampere and Oulu - decided to take a fresh start regarding their collaboration with businesses. Cities invited companies to become part of their "Open Data business panel" to initiate continuous dialogue with businesses around the use of open data. With the help of the panel the Six city strategy's Open Data spearhead project will better target its activities: open up data that, according to the members of the panel, has the most business potential and strengthen the business ecosystem around open data. Cities are all aiming at building a close relationship with the developer community at large.

During the first stage of the call for panel membership hundred companies and business networks joined the panel. According to the first questionnaire<sup>3</sup>, smaller companies in the panel aim at making business out of apps whereas larger ones believe they can improve efficiency internally. All companies foresaw that the key is to combine open data with other data sources. When looking at the identified utilizer roles of data: users, developers, aggregators, enablers and collectors, most companies saw themselves in almost all roles. This is probably due to the low maturity of the ecosystem and will change while companies start to position themselves in the ecosystem according to their focus. Furthermore, the cities learned from the panel that the businesses needed to get more examples of existing success stories, from abroad as well. In other words, the cities not only need to provide the data but support companies in finding new ways to use open data.

Thus, becoming an enabler of data-driven business brings new set of requirements for cities. Cities will have to level up to the Business2Business requirements: APIs have to be up and running 24/7 with service level agreements, load-balancing and a long-term commitment, also to further develop the API. Aiming at the digital single market, and following the second pillar of the Europe 2020 strategy interoperability and standards<sup>4</sup>, the six Finnish cities harmonize both data and APIs. As the national market is not large enough alone, the six Finnish cities collaborate on harmonization with cities across the world. Their consortium has joined the Open and Agile Smart Cities network<sup>5</sup> that already counts 31 cities and builds similarly to the six cities on earlier harmonization work such as CitySDK project<sup>6</sup>.

To conclude, cities do witness innovation based on open data but the business potential hasn't of yet been fulfilled. As many other cities, also Helsinki would like to enable and attract third-party services also in the future. Cities are putting a lot of hard work into becoming enablers of third-party service production and results seem promising.

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<sup>1</sup> <http://theodi.org/open-data-means-business-conclusions-recommendations#recommendations-for-government>

<sup>2</sup> Heat Map of Europe's Real - Time Cities — Progress towards Commercialisation Results of End - user Survey Conducted 1Q 2015 <http://www.marketresearch.com/product/sample-9049396.pdf>

<sup>3</sup> <http://6aika.fi/wp-content/uploads/2015/05/6Aika-yrittyspaneeli-kysely-2015-raportti.pdf> (in Finnish)

<sup>4</sup> <http://ec.europa.eu/digital-agenda/en/our-goals/pillar-ii-interoperability-standards>

<sup>5</sup> <http://connectedsmartcities.eu/open-and-agile-smart-cities/>

<sup>6</sup> <http://citysdk.eu>