



Data As A Service

DaaS Grows With The Cloud

As the cloud's lifeline shifts from early evolution to business revolution, the question is no longer if businesses are using cloud services, but how they're using them.

Key Points.....

DaaS (data as a service) is riding technology's coattails to provide faster, more efficient access to data across a wide range of needs and disciplines.

..... DaaS provides not only face challenges of providing clean, targeted data, but also of educating potential customers about the value of the data and its delivery mechanism.

..... Granularity and other improvements that boost the value of data delivery services will continue to expand the use and popularity of DaaS.

..... Although most businesses can benefit from DaaS, certain business with specific obligations around data need to be acutely aware of the circumstances around data delivery models.

Data, in particular, remains as valuable in the enterprise as it always was, but providers are discovering more unique and useful ways to deliver it through a service model. DaaS (data as a service) is not a new concept, but the cloud's booming popularity is helping to improve the DaaS model to aid enterprises in their endless quest for business advantage.

"DaaS has changed with the amount of computing power available, either in the cloud or on premise," says Scott Robinson, director of global data products at Pitney Bowes Business Insight (www.pbinsight.com). "Computing is inexpensive and abundant, so as a raw material for DaaS, its availability has allowed data providers to make their assets readily available in on-demand environments."

The premise behind DaaS is supremely logical in the larger picture of other cloud-driven services, such as computing, applications, infrastructure, and storage. If customers are turning to cloud services to satisfy those needs, it makes sense that businesses would also turn to the cloud to access data—such as census, geographical, or risk-based data—that otherwise is difficult to locate, download, host, or even analyze. Although DaaS has been available for years, changes are helping it to approach the popularity of its cloud counterparts, including those with more familiar initials such as SaaS (software as a service) and IaaS (infrastructure as a service).

STEADY CHANGE

According to Chad Klopfenstein, senior consultant, SWC Technology Partners (www.swc.com), changes in the DaaS

model have been evolutionary for quite some time. In fact, the last revolutionary change he recalls occurred in the 1990s when he was working for an academic library. A CD-ROM catalog vendor that used to send 30-disc packages sent a package containing only one disc—but the disc included instructions detailing how to connect to the vendor's online resources.

"Recently, DaaS has been evolving in the direction of broadening the population of both producers and consumers. For many years, DaaS was often seen as most valuable to organizations needing access to massive amounts of statistical or demographic data. The companies selling that data were strictly data vendors, charging exorbitant prices for a deluge of data. Slowly, we are seeing that model change," Klopfenstein says.

For example, he notes that data markets now serve as a resource for smaller or less-specialized companies looking to realize the benefits of data in the cloud. Businesses with useful data can

monetize it without significantly shifting the focus of their core business, he says, while businesses with very specific data requirements now have a place to shop around, where providers have already performed the work of collecting and cleaning the data. Further, he notes that companies can now be more selective about what they acquire—in other words, they can pay for only the data they want.

"Regardless of whether you are a data producer or consumer, new channels are becoming more and more available that provide the right amount of service for any sized dataset or organization. Organizations are finding it simpler to find the amount of data

►► Putting Data To Work

In an age where information is king, today's businesses increasingly seek solutions that can deliver targeted data at a moment's notice. A successful example of DaaS revolves around mapping and GIS (geographic information system) data, which various companies can use to improve their business processes and gain tactical advantages. Scott Robinson, director of global data products at Pitney Bowes Business Insight, sheds light on the types of companies that can use such services.

Insurance companies that want to underwrite accurately and that use risk data (e.g., hurricane, wind, wildfire, flood, and tornadoes) to precisely rate risk for a specific address and/or geographic area.

Retailers that want to open locations in international markets. For example, they might want to know the demographic profile of Monterrey, Mexico, or they might want to gather business location, competitor, and traffic data for the UK.

Local governments might be interested in accessing parcel boundary data to compare market versus assessed land values in determining property tax.

they need for a price that reflects what they actually use," Klopfenstein explains.

MEETING THE DATA DEMAND

Innovations in networking, storage, and processing speed have helped to create a nearly insatiable demand for data that can be used to help further business goals. For DaaS providers, this demand heaps a virtual ton of challenges upon their shoulders as they attempt to deliver data quickly and accurately. Shion Deysarkar, CEO and founder of Datafiniti (www.datafiniti.net), explains that data storage, maintenance, and deliverability all represent huge challenges for DaaS providers as data volume expands and data consumers'



Chad Klopfenstein
senior consultant, SWC
Technology Partners

"With so much competition, successful DaaS products have to be marketed just as well as they need to be technically architected. For some companies that have relied mostly on their technical expertise, this can be a difficult hurdle to get over."

rising expectations further compounds those challenges.

"It's not enough to deliver a bulk data set," Deysarkar says. "It has to be segmented to the exact specifications of the customer. New 'big data' technologies are helping data providers meet this demand; even these require a lot of work to meet expectations. Our team, for example, has invested a lot of time in building a fully searchable database of business information by taking open source technologies and fitting them to our exact needs."

DaaS providers also face increasing challenges as all things cloud-related continue to proliferate, as locating customers that can use their data can seem akin to finding needles in a mountain-sized haystack. Vince Plaza, vice president of information technology at TeamLogic IT (www.teamlogicit.com), says it can be difficult to find target customers and educate them on the value that the provider's data can bring to the business.

"The other challenge is to make customers comfortable that the data [providers] are providing is 'good.' Convincing the customer to invest in the development necessary to integrate the DaaS into existing tools or to use the provider's tools are [also] challenges," Plaza says.

EXPANDING POTENTIAL

There's no doubt that today's businesses treasure data that can improve their market knowledge or add value to existing or future offerings. According to Klopfenstein, an increasing number of businesses will be able to find this data as DaaS



Shion Deysarkar

CEO and founder,
Datafiniti

"DaaS levels the playing field when it comes to analytics and processing capabilities for businesses."



Vince Plaza

vice president of
information technology,
TeamLogic IT

"The technology behind the delivery of DaaS has moved forward, allowing for better adoption in the enterprise."



Scott Robinson

director of global data
products, Pitney Bowes
Business Insight

"Users can access very complex information that is critical to business processes in a matter of seconds, on demand."

solutions become more granular. This granularity and other advancements that ease DaaS use and integration will help to expand the potential customer base for DaaS providers.

"Easy access to real-time data is critical for managing a business, and the best businesses use it to create competitive advantages," Deysarkar says. "Using DaaS, marketers can identify opportunities and develop prospect lists on the fly. Researchers now have access to volumes of data with a query of a database instead of conducting months of custom research to collect the appropriate information. Security and risk departments can use DaaS to track and create models of the optimum and riskiest customers and offer the appropriate products and processes for providing their services."

Klopfenstein acknowledges that practically any business that has customers or vendors could benefit from DaaS, assuming that most commonly consumable data will become easily available in the coming years. However, he adds that DaaS isn't necessarily a good fit for all businesses. For example, companies with

specific regulatory or contractual obligations surrounding their data need to be intimately aware of the nature of data flowing into and out of their systems.

"Certainly, any mission-critical system that relies on an external data provider has the potential for a disastrous point of failure. I have had many conversations with potential clients who are excited about a cloud-based approach to one thing or another until we start talking about potential outages and disaster recovery schemes.

If a business will cease to function without a certain data feed, relying on the stability of an external provider can be risky," he says.

LOOKING AHEAD

From the perspective of TeamLogic IT's Plaza, current "hot" cloud services such as SaaS and IaaS will continue to be the primary attractions for businesses in the near future, though he suggests that focus could change in the next three to five years. Looking ahead, it's difficult to predict exactly how the DaaS market will evolve, as Klopfenstein notes that there's no way to provide an accurate valuation of one dataset against another.

"Definitions of data completeness, quality, or cleanliness are all based on assumptions that both producers and consumers bring to the table," Klopfenstein says. "With no way to establish a fair-market value for a specific service offering a specific set of data, it feels a little like the Wild West out there. When the dust settles, data will cost what people will pay. Until then, I wonder how new producers and consumers will evaluate a dataset's value." ●