

# INFONOMICS

## THE NEW ECONOMICS OF INFORMATION

Douglas Laney  
Principal, Data & Analytics Strategy

email: [doug.laney@caserta.com](mailto:doug.laney@caserta.com)  
Twitter: [@doug\\_laney](https://twitter.com/doug_laney)  
follow: [#infonomics](https://twitter.com/infonomics)



Information is not the “new oil”



Information is:

- ✓ Non-rivalrous
- ✓ Non-depleting
- ✓ Regenerative
- ✓ Nearly limitless
- ✓ Easily transported
- ✓ Cheaper to store
- ✓ Easier to steal
- ✓ Doesn't degrade
- ✓ More ecological
- ✓ Has no alternative

*And, it's impossible to clean-up if you spill it.*



# Introducing Infonomics: Treating information as an actual asset

## MONETIZING INFORMATION



Generating economic benefits from available information assets



## MANAGING INFORMATION

Applying asset management principles and practices to information



## MEASURING INFORMATION

Gauging and improving information's economic characteristics

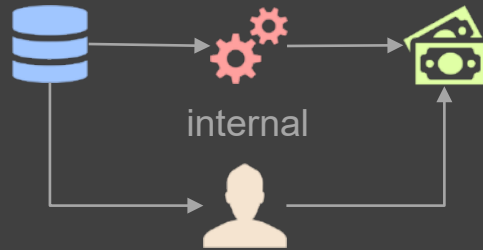
# INFORMATION AS AN ASSET

MONETIZING | MANAGING | MEASURING





# Generating Myriad Economic Benefits from Information

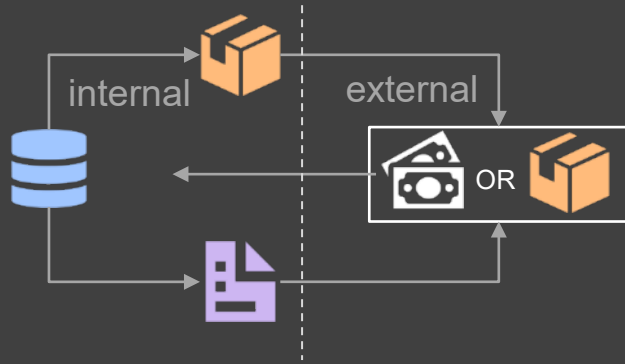


## INDIRECT DATA MONETIZATION

- Improving process performance or effectiveness
- Developing new solutions
- Building and solidifying partner relationships
- Publishing branded indices



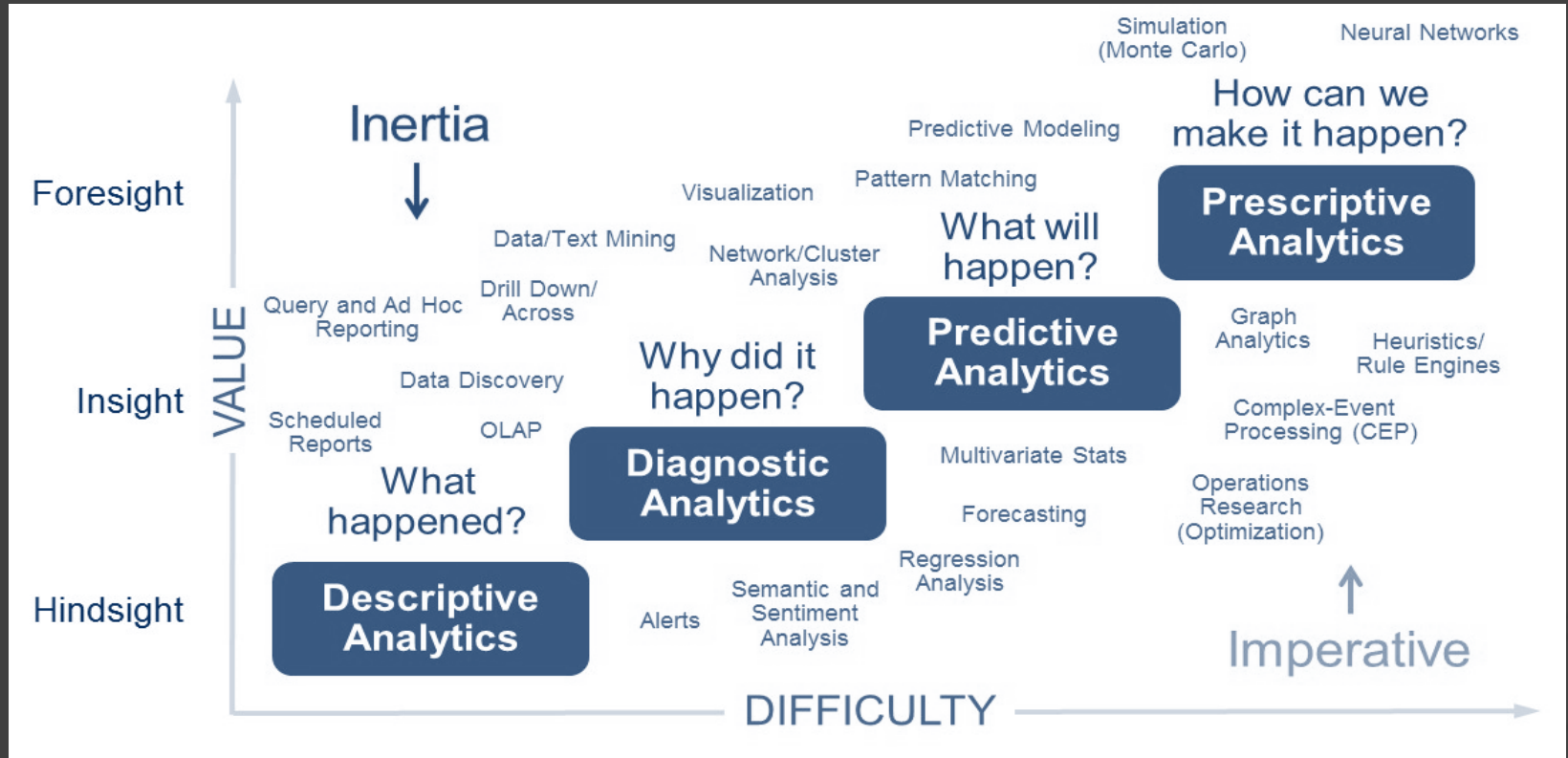
# Generating Myriad Economic Benefits from Information



## DIRECT MONETIZATION

- Bartering/trading with information
- Enhancing products or services with information
- Selling raw data through brokers or data markets
- Offering insights, analyses and reports
- “Inverted” data monetization (referrals)

# Scale the Analytics Continuum





# Data Monetization Examples



Social  
Media

Project  
Content

Sales and  
Inventory Data

Citizen  
Data

Genealogy  
Data

IoT

Location  
Data

Multimedia  
Content





# Information Valuation Models

## Foundational Measures

How correct, complete and scarce is this data?

**Intrinsic Value**  
of Information  
(IVI)

How good and relevant is this data for specific purposes?

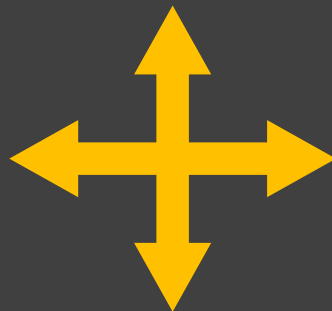
**Business Value**  
of Information  
(BVI)

How does this data affect key business drivers?

**Performance Value**  
of Information  
(PVI)

*Leading Indicators*  
(*Potential Value*)

Improve  
information  
management  
discipline



Improve  
information's  
economic  
benefits

*Lagging Indicators*  
(*Realized Value*)

## Financial Measures

What did it cost to collect this data, or if we were to lose it?

**Cost Value**  
of Information  
(CVI)

What could we get from selling or trading this data?

**Market Value**  
of Information  
(MVI)

How does this data contribute to revenue / expenses savings?

**Economic Value**  
of Information  
(EVI)



# Foundational Value of Information

## Foundational Measures

How correct, complete and exclusive is this data?

**Intrinsic Value**  
of Information  
(IVI)

$$IVI = \text{Validity} * \text{Completeness} * (1 - \text{Scarcity}) * \text{Life Cycle}$$

How good and relevant is this data for specific purposes?

**Business Value**  
of Information  
(BVI)

$$BVI = \sum_{p=1}^n (\text{Relevance}_p) * \text{Validity} * \text{Completeness} * \text{Timeliness}$$

How does this data affect key business drivers?

**Performance Value**  
of Information  
(PVI)

$$PVI = \left[ \left( \frac{KPI_i}{KPI_c} \right) - 1 \right] * T/t$$



# Financial Value of Information

$$CVI = \frac{\text{ProcExp} * \text{Attrib} * T}{t} \left\{ + \sum_{p=0}^n \text{Lost Revenue}_p \right\}$$

$$MVI = \frac{\text{Exclusive Price} * \text{Number of Partners}}{\text{Premium}}$$

$$EVI = [\text{Revenue}_i - \text{Revenue}_c - (\text{AcqExp} + \text{AdmExp} + \text{AppExp})] * T/t$$

## Financial Measures

What would it cost us if we lost this data?

**Cost Value**  
of Information  
(CVI)

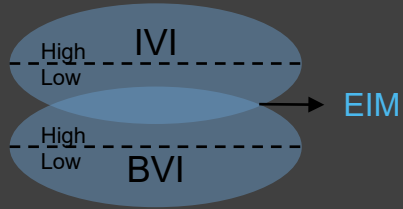
What could we get from selling or trading this data?

**Market Value**  
of Information  
(MVI)

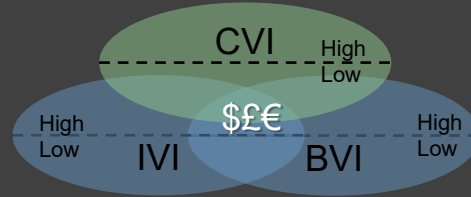
How does this data contribute to our bottom line?

**Economic Value**  
of Information  
(EVI)

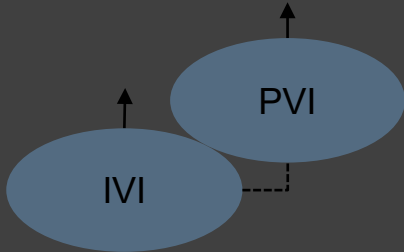
# Applying the Information Valuation Models



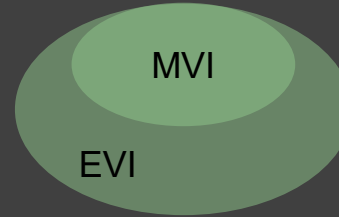
**INVESTMENT:**  
Prioritize and fund information management initiatives for information assets with low intrinsic value and high business value.



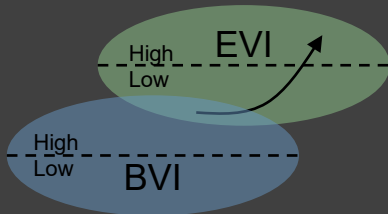
**MONETIZE/ANALYTICS:**  
Determine the market ability of information assets, i.e., those with high quality, low cost and high external business relevancy.



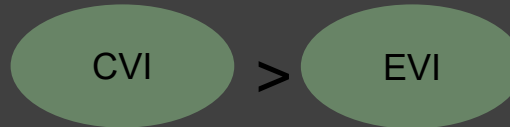
**GOVERNANCE:**  
Gauge how improving data quality metrics (intrinsic value) affects key performance indicators.



**ENHANCED VALUE:**  
Determine how much additional economic value can be achieved by monetizing information assets.



**INNOVATION/DIGITAL:**  
Identify information with high potential business relevance that could be driving more economic benefits.



**LIFE CYCLE EXPENSE:**  
Dispose of information that costs more to capture and retain than its economic benefits.



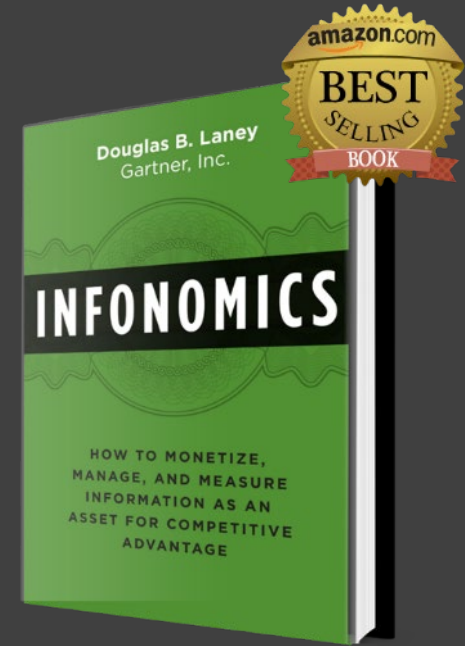
# Recommendations

- ✓ Monetize your (and others!) information in a variety of ways.
- ✓ Manage your information with the same discipline as your other assets.
- ✓ Measure and improve your information's potential and realized value.
- ✓ Understand and take advantage of information's unique economic characteristics.



# Elevate Your Data Strategy

- Caserta.com
- [doug.laney@caserta.com](mailto:doug.laney@caserta.com)
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Must-Read Book  
of the Year.