





Automating GDPR Compliance

After years of preparation, the European Union General Data Protection Regulation (GDPR) will come into force on 25 May 2018. The legislation replaces existing data protection legislation and in the words of the European Union is designed "to harmonize data privacy laws across Europe, to protect and empower all EU citizens data privacy and to reshape the way organizations across the region approach data privacy"



Daniel Stachowiak

Founder and Managing Director, MyDocSafe



rganisations have been running GDPR compliance projects designed to educate, assess, and create policies, processes, procedures and artefacts. There can be few of us that haven't already been touched by GDPR. However, the on-going challenge will come after the 25 May 2018. At this point GDPR will become a living, breathing and evolving regulation to which organisations will have to adapt. The reasons they will have to adapt are as follows:

■ Internal Players Will Change

Organisations will operationalise their GDPR processes and in doing so legal and compliance professionals will be augmented with operational client facing colleagues.

■ Data Subjects Will Be Empowered

Data subjects will start to kick the tires vis-à-vis their data controllers who in turn may need to turn to their data processors. How they might kick the tyres is discussed later in the article.

■ Regulators Will Regulate

GDPR is a clearly defined regulation. However, after 25 May regulator enforcement actions will provide important information as to how the regulations should be interpreted.

■ Law Courts Will Set Precedents

Data privacy actions will reach the law courts and GDPR will be adapted by case law. Organisations wishing to comply with GDPR will need to implement adaptive processes and systems that support the regulation and that can be executed efficiently and effectively.

Each of the cases above necessitates organisational adaptation. But how does that happen in practice? Under the GDPR, organisations have explicit general obligations to implement technical and organisational measures to show that they have considered and integrated data protection into their processing activities. Organisations wishing to comply with GDPR will need to implement adaptive processes and systems that support the regulation and that can be executed efficiently and effectively. I will also add centralised to that list as it's hard to imagine how organisations will deal with GDPR let alone in a dynamic environment without a single place to administer GDPR compliance. My final point in this regard is that processes and systems must be capable of administering data privacy in a way that provides both documentary and demonstrative evidence should a court or regulator require.

These are also some of the reasons why Microsoft Office (Excel, Word and Outlook) isn't a sufficient GDPR toolset. Such tools do not provide timestamped proof and audit trails and certainly are not suitable for handling the multi-dimensional nature of GDPR data.

The good news is that specialist GDPR software integrated with technology and trust services can provide organisations with a means to achieve GDPR compliance and in a way that passes the previously mentioned criteria. Before reading ahead, it's worthwhile reading the side bar as it lists the trust services and technologies that make up such a proposition. The appropriate mix depends on the size, complexity and type of organisation.

GDPR compliance software

Secure document storage, sharing, delivery & archiving

Encryption

Electronic signature

Time stamping

Electronic forms

Workflow automation

Portal technology

Access rights management

Management Reports









Now to the solution... the following table provides some examples – for brevity – of where GDPR processes are likely to cause pain for organisations and how technology and trust services can help to manage compliance.

_		_	_		
GDPR Process (Examples)	Request Submissions by data subjects. For example, subject access requests, erasure requests, objection requests and rectification requests.	Return of data to data subjects. Data portability.	GDPR Documentation. Describe data controlling or processing activities, log incidents, breaches, user requests and audits. Script user requests. Record and note decisions and responses.	Update, distribute and sign engagement letters, T&Cs and privacy policy.	Regulations relating to lawfulness of processing including consent, handling of special data types and criminal convictions.
Technology - How?	Compliance software and dashboard records and processes requests. Data subjects are directed to E-forms on a portal which enables a self-service means to capture requests. Automated workflow engine handles request fulfilment. Data repository handles storage of requests. Audit trail ensures the request and any decisions relating to the request are timestamped.	Electronic registered delivery services to send copies of data before severing ties or moving data.	Compliance software and dashboard. Reminders to prompt how long data can be kept. Document management.	Document templates. Signing templates. Workflow. Electronic signatures.	GDPR Compliance software and dashboard. Capture workflow using electronic forms.
Benefits	Organisation avoids processing disparate incoming letters, emails, telephone calls etc. and re-keying. Standardised data capture. Organisation minimises the number of people involved in the process. Reduced risk as requests are stored, processed and audited.	Proof of delivery and audit.	All are captured and audited. A centralised and auditable repository can also be helpful in terms of sharing GDPR activity with auditors, consultants, regulators, lawyers etc.	Ability to efficiently and effectively distribute, sign and store Agreements. Ability to broadcast to many parties and procure individual signatures.	Proof of delivery, track data and audit.

In conclusion

When the GDPR comes into force on 25 May 2018 it will become a living, breathing and evolving regulation. Organisations will need to deal with a general obligation to implement technical and organisational measures that show they have considered and integrated data protection into their processing activities. These processes and systems should be executed in a way that is efficient, effective, adaptive and evidenced. It may also be helpful if they are centralised. One solution is to use specialist GDPR software integrated with the technology and trust services.

Daniel Stachowiak is Founder & Managing Director of MyDocSafe, which provides an integrated suite of services and technologies that have been enabled to help organisations achieve on-going GDPR compliance.

For more information, please contact: <u>daniel@</u> <u>mydocsafe.com</u> and see <u>www.mydocsafe.com</u>.

The information provided in this article is for informational purposes only, is general in nature, and does not constitute legal advice. Please consult a lawyer for legal advice specific to your situation.









CAPTAIN'S LOG



Daniel Stachowiak
Founder and
Managing Director,
MyDocSafe

MyDocSafe helps financial and professional service firms automate and secure workflows that involve sensitive data, identity and money. Examples include client portals (secure document distribution and sharing, e-signature, onboarding), recruitment (end-to-end candidate onboarding) and compliance (MiFID2 categorisation platform for banks and local authorities)

Daniel, could you tell me a little bit about your business?

MvDocSafe automates complex processes that involve personal data. In the SME space we help company's onboard clients, employees and investors in a more secure way and we do this through the application of electronic signature, secure electronic forms, secure client portals, identity verification services and then payment processing and we combine all of those into streamlined and seamless end to end workflows that then allow companies to transact faster. But the most important thing is that they can do it in a secure way and of course that helps them with GDPR but the flip side of it is that they also need to document certain things for their own GDPR purposes and we also help them with that through the provision of an internal compliance tool called GDPR dashboard. We also have enterprise solutions for more complex requirements such as MiFID2 or recruitment.

What interested you about this space initially when you first started the company?

The original idea which came to me I would say probably five years ago was to help individuals transition away from paper-based filing cabinets that have many disadvantages including being labour intensive into cloud solutions that are secure, clever and that are managed by the people or companies that produce the paperwork. So that was the original vision: a clever filing cabinet that you can transact with. And I think the rest is history because as you know you always end up

moving away from the original idea to some extent.

Now our business focus is primarily on the business problems related to interactions with stakeholders – employees, investors, customers – but a side product is that each of those stakeholders gets a portal and they can later take it with them and do other things and that's the cornerstone for the original idea. Our paying clients are businesses and now because of GDPR the client technology is suddenly becoming the news which is great for us.

Changing direction, maybe you could tell me about your previous roles before MyDocSafe and then in particular what lessons did you learn from your previous roles that you have been able to apply at MyDocSafe? After my MBA I spent almost a

decade in private equity at Jupiter Asset Management raising capital for funds and deploying those in a private equity setting in the real estate world. Through that experience I identified several interesting opportunities for technology to be incubated within the real estate world. This is how I started looking at software companies and later how I started investing in them and being on the Board of one of them. One is called bookingbug.com which is now one of the fastest growing software businesses in the UK and that experience helped me build a network of amazing entrepreneurs and advisors within the technology community and allowed me to explore my own ideas including MyDocSafe.

Going back to MyDocSafe and the market for MyDocSafe's products, where do you see the key opportunity here in the UK and in Europe?

The opportunity is vast. I think it's about focusing on just a few or a handful of industries because everyone wants automation, digitisation and security but of course as a small business you can't do everything. We started by working with accounting firms and other professional service firms and we are now seeing traction within the recruitment world. As you know, once you know who you want to hire the process of onboarding an employee is quite labour intensive, so we have now started automating those processes. So, we are focusing on the basic financial services and professional services industries for the time being. We started in the UK because we are based here but partly because our software supports GDPR and MiFID we think the EU is a fantastic next step.

Maybe you can tell me about some of the challenges that you are facing in the industry you operate in and then how your company helps to overcome some of those challenges?

I think the main challenge is one that our clients face and that is that they need to digitise and secure their practices or their operations and most of them are not technical or have very limited technical resources. Their problem of sourcing those technologies is carried out usually by non-technical people who are faced with a long list of potential solutions most of which only solve a tiny fraction

fe's see the he UK nk it's

> of the issue that they need to solve. SMEs have the problem of not being able to build their own technology, not being able to afford a systems integrator who will come in with an end to end solution, and are faced with the problem of assembling a portfolio of point solutions and figuring out a way to get them to talk to each other to solve their business problem. So that's the world we live in and that's where we think our opportunity lies because we want to be in a sense an end-to-end provider for SMEs. Consequently, we have a SME price

How do we do this? Firstly, by building a whole range of end to end services which are not over featured. This is the only way to do it and we can't compete with solutions that only do one thing extremely well. Our view is that SMEs don't need over-featured solution because they are not

tag but an end-to-end offering

that you would ordinarily expect

to pay much more if you were an

So that was the original vision: a clever filing cabinet that you can transact with.

And I think the rest is history because as you know you always end up moving away from the original idea to some extent.

going to take all the value from that solution. They only need the most basic features and a few bells and whistles and that's what we can build. So, we build end to end and we don't over feature and that's how we can then compete. Some components are procured externally but the client procures them seamlessly within our platform without the need to contract separately.

Now, having a product that solves an end-to-end issue is one thing, distributing it is another. This is where our channel strategy and public API comes in: finding channel partners, integrating with them and then making sure the channels work is the key challenge we face.

If you think about your competitors are there specific points if differentiation you can think of vis-a-vis those competitors?

We don't have many competitors in our segment for the end to







enterprise.







end solution. However, I could enumerate competitors for individual services including e-signature, for e-forms, for ID verification, and for everything else. We add value because it is hard to assemble them in one package quickly.

Where do you see the future of the market heading?

I think we are still scratching the surface especially within the SMEs in terms of adoption of technology. I see when we talk to potential clients that they still need to make a mental chart when they say I'm going to ditch paper, my filing cabinet, my faxes and put everything in the cloud. It's a big mental leap and some of them haven't even done it because they don't need to, because their businesses don't require them to, but some of them feel the pressure and surprisingly a lot of companies still need to make that mental step. And then once you make that mental step then it is much easier for us to actually sell because we don't need to preach the basics, the basic benefits of streamlining technology, it's then about the quality of the solution and how that can help. I see in general in Europe that a lot of businesses could gain a tremendous benefit from the automation power of software. That's the opportunity, the challenge is that there is still relatively a lot of education that is required which means selling takes longer. Which of course is not easy when you have an SME solution because SME solutions cannot have a high touch selling process.

I also see the young and technology savvy services firms

are starting to use technology to build competitive advantage. They even use software development terms such as "in-house cloud technology stack" to describe how they plan to compete. This is great news to us as we want to be part of that stack no matter what practice management software they actually choose to use.

The next couple of questions relate to obstacles facing the Industry and how you would overcome them. I think you have covered a lot of that but is there anything you would like to add?

Well, one thing that I'm observing is that it is very hard for start-ups like ours to sell to the public sector. I think the G-cloud is a promising initiative for procuring and incubating innovation and helping the entire economy but the cost of actively participating in that procurement platform is as high as trying to sell to the enterprise (in other words, it has little impact on start-ups who cannot afford to do

it). Also, the fragmentation of the procurement processes within the public sector means that 'selling to a public sector body', even if it provides an invaluable reference, does not prove as much as hoped because one is still faced with the prospect of selling to others. This is why it is so hard to use schools, for example, as early adopters.

That sounds reasonable.
Obviously, you are competing not just in a product market but also in a market for employees. What do you think attracts people to MyDocSafe? What makes MyDocSafe an employer of choice?

I think like every start-up we are fighting a huge battle for talent. First, we see an erosion of price competitiveness of near shoring markets such as Central Europe surprisingly, which paradoxically makes UK digital talent more affordable than in the past. UK is still more expensive, but the price differential is not as big as previously. We source freelance

We are fighting a huge battle for talent. We see an erosion of price competitiveness of near shoring markets such as Central Europe surprisingly, which paradoxically makes UK digital talent more affordable than in the past

talent, we pay market rates, and I think what persuades people to stick with us is ultimately the internal business culture. We try to be flexible with people, we are here for the long run, and we are ultimately a virtual team which means we can really cater for different lifestyles and that is a rarity I think compared to some employment opportunities in the corporate world.

Going back to a more general question about MyDocSafe. What are your plans for 2018 and beyond?

For this year we would like to

establish ourselves as a major player within the user portal space and the provision of GDPR compliance tools for SMEs and MiFID2 to UK banks. And we want to continue growing our presence in the enterprise world by selling our enterprise automation technology that takes the form of multi sided platforms for various types of stakeholders to come in and engage in complex transactions such as compliance, employee onboarding or application proceses. So that's the plan. We are also seeing an amazing opportunity in the consumer market: client portals will morph into marketplaces. Not this year, but not in too distant future. We are thinking hard about this as well.

Let's move away from MyDocSafe and into the financial services arena more generally. Which areas of financial services do you see as most ripe for disruption by technology?

I'm focusing primarily on

innovations in our market space which includes electronic signatures, biometric authentication, and mobile only on boarding workflows. Different countries are at different stages of digitisation and their ability and appetite to absorb such innovations differ markedly. Europe is therefore not a uniform market. We see that the companies that are most interested in these technologies are either start-ups or young nimble companies that want to compete on user experience with the traditional incumbents. We are having conversations with some new age banks and start-ups within larger companies that want to start from scratch and that's I think a great thing.

In terms of which industry segments are most receptive. I think accountants are always on the lookout for something that would make their operations more efficient and more revenue generating, and they are looking for ways to cut non-billable hours and save administration so that's where we come in. I feel that other financial and professional services sectors such as insurance, real estate, and recruitment, where there are complex transactions, are ripe for further disruption. Just think about how easy it is to find your dream home but how hard it is to actually buy it. What about days spent filling out paperwork to 'finally get hired'. What about re-typing the same information over and over again to find the right insurance? In all these cases we are dealing with the need for detailed historic documentation, identity verification, payments and personal data. That's the

world of complex transactions and onboarding that we would like to secure and simplify.

Final question, a little blue sky thinking, can you talk about a technology innovation in the financial services sector that might happen in the next five years?

I think we are still to see a

blockchain use case that is B2C within financial services. My hope is that it will happen within land registry space (find a home, get a mortgage, buy it) or as part of buying processes of financial products (ID verification data embedded in the blockchain history but data controlled by the buyer). I hope that signing electronic deeds will finally be allowed (the Law Society made a pronouncement which gives us hope). If I was to venture one little prediction it would be that when you transact as a retail client with financial services you are going to be more in control, you are going to be the gatekeeper of your personal data and consequently the shopfronts of financial services will move from "their websites" to "consumers data wallets". That, of course, plays really well into our hands, so most probably that is just my wishful thinking... but who knows



