

# OPEN INFORMATION AS FACTOR OF GROWTH OF COMPANIES

**Adriana Jović – Bogdanović<sup>1</sup>, Nebojša Gijić<sup>2</sup>, Oliver Dimitrijević<sup>3</sup>**

<sup>1</sup>*Faculty of Business Studies and Law, University Union-Nikola Tesla, Belgrade, SERBIA, e-mail: adriana.jovic.bogdanovic@fbsp.edu.rs*

<sup>2</sup>*Faculty of Business Studies and Law, University Union-Nikola Tesla, Belgrade, SERBIA, e-mail: nebojsa.gijic@fbsp.edu.rs*

<sup>3</sup>*Faculty of Business Studies and Law, University Union-Nikola Tesla, Belgrade, SERBIA, e-mail: oliver.dimitrijevic@fbsp.edu.rs*

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**Abstract:** *The process of exchanging data with open access took hold, it occurs increasingly, and it is unlikely for this growing brand to start to decline. The flow of information is not necessarily always of individual character, i.e. it does not necessarily concern only individuals but in certain cases may concern the entire human community. Therefore, it is safe to say that this trend of information exchange will continue to grow, and certain corporations will have to find a way to deal with this increasing trend and to adapt to modern conditions of existence of modern society demands.*

**Keywords:** *data, management, development, consumers.*

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## 1. INTRODUCTION

Human society in the 21st century reached its expansion, became rapid and operates in ways it has never worked before. We are referring primarily to the fact that never before the flow of information was more accessible to us, nor was it at the same time necessary to this extent. Today information means efficiency and effectiveness, i.e. information represents a direct tool of everyday life. Once information was difficult to access and could be transferred only in a certain way, or was too protected in a totally monopolistic way. On the contrary, today we require free flow of information, and in some cases completely free access to certain data or information. Open data or available data represent an idea, that is, that certain data be free and available for all to use, and that they publish them as they wish, without any restrictions. These limitations are often reflected in patents, copyrights and other mechanisms of control. Free flow of information reaches its current shape and form also through the expansion of the Internet; as the Internet evolved and became more accessible, in the same way information became increasingly both available and necessary.

The very process of getting free information, or information available to everyone at no charge leads many companies into an uneasy position. Those are the companies that strive to retain certain information solely to themselves. It is not only companies who want to protect certain information from disclosure, it is often the public sector that is interested in keeping certain information hidden.

In this paper we present the very relationship between information in various social spheres; further, we attempt to show how information operate in certain social sectors, as well as the relationship of the collective and the individual or the institute of “free data” or free data-access.

## 2. THE FREE FLOW OF INFORMATION

Free flow of information is one of the foundations of modern society. Indeed, the society actually operates on the basis of availability of information, so that certain information today must be more accessible and more affordable. Open data must be online and available for free access, without any discrimination; it must be available for use without asking for permission.[1] Therefore, certain companies will eventually have to undertake certain drastic measures because the availability of information does not refer exclusively to them. Information should be available instantly so that individuals have as much access as possible, in order to be informed about a particular product they purchase, and all that not only on a personal level, but globally. The very process of creation of information may actually originate from individuals or their free sharing of information on the Internet. Or, to put it differently: “Free data may originate from a collective group of information of each individual who uses the Internet.”[2] Some information threaten collective good of all men, as was the case with oil wells which harm to the environment. This is why governments decided as follows: should you wish to start drilling, you must comply with and satisfy certain standards, i.e. certain information must be exchanged to the greatest possible extent in order not to cause damage to ecology.

Social network is a social structure made of individuals (or organizations) called “nodes,” which are associated with one or more specific types of interdependency, such as values, visions, ideas, financial interests, friendship, kinship, common interest, financial exchange, dislike, sexual relationships, or relationships of trust, knowledge or prestige. The resulting structure can often be very complex.

Analysis of social networks is concerned with social relations in terms of “nodes” and “links”. Nodes are the individual players within the network, and the links are their relationships. There can exist various connections between nodes.

Social networks can be either established or closed down depending on the needs. They are established in order to cope with specific problems, usually in the form of self-help groups, NGO networks and groups for social activism. They have been growing rapidly with the emergence of new technologies, especially the Internet.

The research in academic circles has shown that social networks operate on many levels, from the family to the level of the nation, and play a critical role in determining the way in which certain problems are to be solved, how organizations work, and the degree to which an individual can succeed in achieving individual goals.

In its simplest form, a social network is a map of all the relevant links between the nodes that are being studied. Network can also be used to determine the social capital of

individual players. These concepts are often displayed as diagrams of social networks where nodes are points and lines are connections.

Social networks should not be confused with social networking services such as MySpace, Orkut, Facebook, Ning, etc. or with virtual communities.

### 3. OPEN DATA

Not all data that are valuable are of internal character or registered. New initiatives by governments of the United States, Mexico and Singapore reveal possibilities of public information available for free use. Corporate data are also becoming more fluid and accessible around the market since companies share data with their business partners and sometimes - consumers. Also on the rise is the influx of data by the so-called collectors of data who compile and sell to interested third parties a wide range of information flow. It is necessary to bear in mind the great source of information arising from a variety of interactions with social media that are available by the providers of digital platforms i.e. social networks such as Twitter and Facebook.

These new sources of data are to a large extent prone to exploitation. An illustration from daily life is a phone application that uses data in order to inform employees on their way to work when the following means of transport is to arrive. By using open data, or data that is drawn from multiple sources – e.g. the data of all jobs in a given sector - often combined with significant data, they can help companies to develop insights that would not otherwise be gained by using only internal data. Executive directors should be informed about the use of open data as a new form of making information available both from the political system and private sources that represent the new part of the big puzzle of data.

These data vary from fully open to fully closed and all that over the following four dimensions:

1. accessibility (range of users allowed access to data)
2. willingness of machines (the ease with which data can be processed)
3. prices (the price obtained for data), and
4. rights (restrictions on the use, transformation and distribution of data).

Demographic data, financial transactions, health criteria and information on the current location are just some of the many new sources of information for companies that they can use to design and co-design new products and services, and to influence the efficiency and effectiveness of their operations. New research from the McKinsey Global Institute, or more precisely of the McKinsey Government Center and McKinsey Business Technology Office, claimed that around or even over \$3 million per year can be derived from the use of open data in applications of the seven domains of the global economy.[3] Roughly a third of the potential benefits would be about the use of criteria to identify areas for improvement.

### 4. CERTAIN DOMAINS OF POTENTIAL OF OPEN DATA

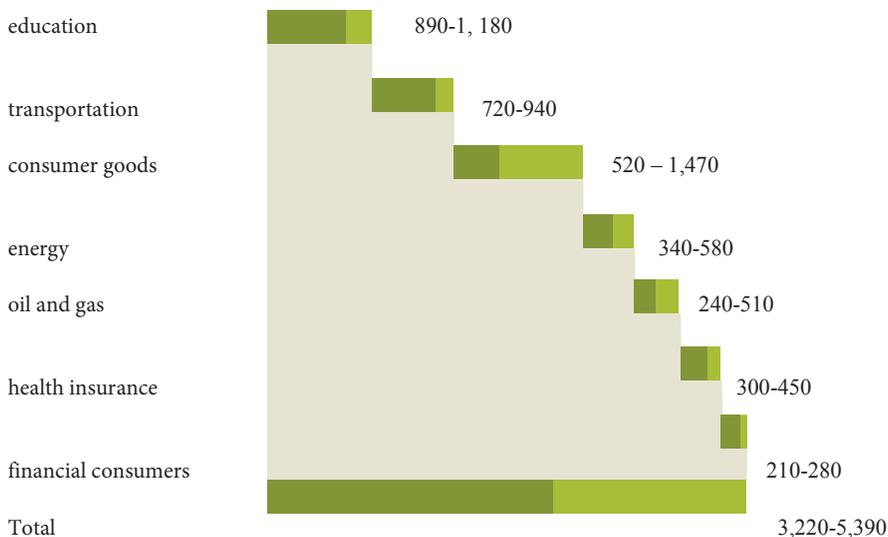
Should individual businessmen in all the appropriate positions in large companies opt to use basic data (should it be within their scope of work to make such a decision), companies would realize amazing benefits. The mere use of this information would have an incredible impact on both industry improvement and market and consumers. For this reason, the open exchange of data during the development of the strategy of exchange of data and analysis

of the data, is one of the most important priorities for the development of companies. This is clearly evident from several examples, i.e. we can clearly see the potential of open data for research and development in the field of energy, consumer insight and agriculture.

1. Energy Research. As far as energy research is concerned, new technologies have allowed us to enter into the depths of geological formations, reservoirs etc., and all this is becoming more expensive and complex. Therefore, the exchange of information concerning permits for excavation, i.e. the exploitation of natural resources, for example, can optimize investments and bring significant new value in the oil and gas industry. Exchange of information on licenses for drilling and other data across the enterprise could reduce the number of “dry holes” and help the optimal outcome of the investment. Though the network sharing seismic data is now well developed, sharing among only a few companies can produce significant new value in the oil and gas industry. Governments in an effort to maximize and preserve the interplay of natural wealth, could take the lead in structuring the process of licensing, so that one of the permits to begin drilling would imply exchange of seismic data between companies. The mere exchange of information on possible projected costs and development schedules (through third parties) could identify indicators that would roughly, reduce spending of the project from 15 to 25%.

2. The consumer insights. In the consumer sector, the exchange of information between manufacturers and sellers, under certain circumstances, may lead to innovative marketing principles and example of this is the Nectar program in the UK. In fact this loyalty program is used in certain shops - Sainsbury's, BP petrol stations and Hertz rent-a-car (rental cars), allowing these companies a broader perspective on consumer behavior, while at the same time not jeopardizing their competitive position.

3. Farming. In the agricultural sector we can look at the case of the corporation from San Francisco, which has more than 30 years of data collected on weathers, 60 years of data on crop yields, information about the types of soil, which are primarily data drawn from public databases. From this point of industrial information and current data, the company offers advice based on sophisticated algorithms to farmers, for a certain consultant fee. Monsanto has recently purchased the company for about 1 billion US dollars.



### Example

Open data can help unlock from \$ 3 trillion to \$ 5 trillion in economic value annually over the seven sectors.[4]

Indeed, there are other possibilities, too. For example, if companies would share detailed information about their products as well as materials used and the conditions under which they are produced, this would greatly reduce the price of certain goods. There is a growing trend known as MyData where, in fact, organizations share information which was collected on certain individuals from health centers, in order to help them to maintain their health.

However, although the open data are a really powerful tool, together with them comes great responsibility, and many of the company - with good reason too - are deeply concerned. The exchange of data could challenge the material balance. Even if companies be guaranteed anonymity, there is always the risk that their identity can be discovered and that competition can see how these companies actually operate. Exchanged data may reveal sources of competitive progress and jeopardize intellectual property. Similarly, the exchange of social data could heighten privacy concerns among consumers.

However, it is difficult to imagine that this wave of open data would actually slow down. Independent aggregators of open data will certainly continue to sell and publish corporate data, such as customer reviews, safety lists, complaints and information about prices. Open data initiatives also continue to proliferate in the public sector. In June 2013, G8 governments adopted The Charter of open data that establishes the expectation that a standard policy should be open to publication of government data. Traditional competitors and entrepreneurial attackers can be used anew through open data such as access to social - media comments, as well as lots of ideas that come from new products and services. Open data, in short, seem like yet another ruthless digital shift and in an unexpected manner they - at the same time - create new opportunities and strategic complexities, leaving those who are not willing to change without places to hide.

## 5. CONCLUSION

This paper should enable us to realize the importance of data with free access for modern social development. In fact, we should be able to conclude where it is that free data-access grows the fastest growing; further, we can see the connection of free data access with social networks. Through these networks information travel fastest from one user to another because the very connection between the users is by far much more interactive. At the same time, we realize to what extent the flow of information is important for the modern man.

Of course, the free flow of information does not benefit everyone. In certain cases, companies are trying to, as far as possible, to protect information from leaking, because that makes them vulnerable to competition. Each company is trying to - to the greatest possible extent - protect their information from others, because sometimes it is one of the basic reasons for their business success. Naturally, on the other hand, there are companies that - due to information access becoming free - have created chains that actually proved to be quite successful and profitable for them.

In a couple of examples of energy, agribusiness and consumer insights we established the importance of the exchange of information between certain organs. In fact, certain jobs would be much more effectively and efficiently performed if the necessary information is exchanged between certain persons. In fact, in certain sectors such as education, overall

energy, oil, gas, transportation, etc. this would simply save millions, if the whole process of information exchange is performed more efficiently, or performed at all.

Available information are necessary for society to progress. Some of the most successful of the current web pages are based on the solidarity of the user; in fact, the very information contained in these pages are filled people, i.e. visitors to these websites. Due to the fact that certain information are more accessible, certain products would be more accessible, too. At the same time, individual progress too sometimes depends on the possibility of finding information that are free and validated. Information exchange needs to thrive, and the contribution should come from social networks, which can, with a particular form of entertainment, collect numerous data from the users.

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