

Towards SME's Competitive Advantage in the Light of GDPR

Benjamin Lesjak

University of Primorska, Faculty of Management, Slovenia

benjamin.lesjak@guest.arnes.si

European citizens are in 2018 adopting several new or renewed rights regarding privacy. There are several new processes and obligations adopted with new General Data Protection Regulation. On the other hand SMEs in most cases explain the change of regulation as a new burden and not as a competitive advantage towards other companies in the sense of building trust and confidence to the consumers and other stakeholders in the business process, doing business more transparent, consumer friendly, transferable and strengthening competition in the areas.

In the article we are explaining the launch of a research which will check the selected Slovenian SMEs with their readiness to GDPR and how big the gap to compliance is. We will be measuring the GDPR gap analysis in the contexts of citizens' rights if selected SME:

- is getting their clear consent to process the data, concerning also children and take into account the age limit.
- enables option to let people access their data and give it to another company.
- are informing people of data breaches if there has been a serious risk to them.
- enabled the people the 'right to be forgotten'.
- have establish systems for erasing personal data (taking into account freedom of expression or the ability to research), informing about profiling and in person, for opting out of direct marketing that uses personal data.
- is using extra safeguards in case of information on health, race, sexual orientation, religion and political beliefs.
- has legal arrangements when transferring data to countries that have not been approved by the EU authorities.

With the results from interviews and legal analysis of SME we will have a clearer picture of SME's compliance to GDPR and also an option to achieve, what is suggested from the EU Commission that SME should build data protection safeguards into their products and services from the earliest stages of development. GDPR appoints all processors and controllers to implement appropriate technical and organisational measures, such as pseudonymisation, which are designed to implement data-protection principles, such as data minimisation, in an effective manner and to integrate the necessary safeguards into the processing in order to meet the requirements of GDPR and protect the rights of data subjects. The EU Commission also estimated a 2.3 Billion EUR economic benefits of having one law regarding personal data.

After collection, calculation and interpretation of data in a research we are planning to compare the results from selected SME with their financial and possible competitive advantage factors from several years before and measure the change after the implementation of a new regulation.

Keywords: GDPR, General Data Protection Regulation, competitive advantage, trust, confidence, transparency, research