

# How Enterprise Software Empowers Businesses in a Data-Driven Economy

B2B software enables business customers to do what they do best—faster, smarter, and more efficiently.

## Enterprise Software Supports Businesses' Operations

Enterprise software—or business-to-business (B2B) software—**enables** the operations of other companies. It helps organizations of all sizes and across all industries operate more safely and efficiently, enhance product and service development, and increase opportunities to innovate and grow.

The enterprise software industry supports a wide range of organizations across the world, including SMEs and large companies; local and central governments; hospitals, schools, and universities; and non-profits. By **offering trusted and responsible software solutions** to support their business clients' data-processing needs, enterprise software companies enable other organizations to service their own customers in turn.



Enterprise software optimizes the use of digital technology to support and improve business operations, empowering other companies to focus on what they do best, such as R&D and product design.



In Europe, almost **80 percent of large companies** and **35 percent of SMEs** use information-sharing software.<sup>1</sup>

## Enterprise Software Helps Businesses Benefit From Digital Transformation

Organizations in every sector of the economy increasingly rely on cutting-edge software to **run, facilitate, improve, and optimize their operations** every single day. Governments, public administrations, schools, and hospitals are also increasingly adopting these tools. Enterprise software underpins human resources and payroll operations; billing and financial transactions; research and development; product design; workforce collaboration, communication, and messaging; customer relations; and logistics and supply-chain management, among many other business services.



**38 percent** of small businesses in the **United States** cited increased sales and revenue as a benefit associated with using digital tools.<sup>2</sup>



**Australian businesses** are using more cloud than ever—**42 percent of businesses** across 2017–2018, up from 31 percent in 2015–2016.<sup>3</sup>

➔ In times of crisis, such as the global outbreak of COVID-19, enterprise software tools help coordinate public health safety responses, maintain essential services, and support economic continuity.

### ENTERPRISE (B2B) SOFTWARE PROVIDES CLIENT SOLUTIONS THAT:



#### Operate and Optimize Business Services

(including responsibly handling and moving information globally)



#### Protect and Secure Data and Business Information

(including providing strong, accountable privacy and security safeguards)



#### Innovate and Expand Beyond Existing Capabilities

(by using cognitive solutions such as analytics and artificial intelligence to better address customers' needs)

<sup>1</sup> EU DESI Index 2020, <https://ec.europa.eu/digital-single-market/en/digital-economy-and-society-index-desi>.

<sup>2</sup> <https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/connected-small-businesses.html>.

<sup>3</sup> Characteristics of Australian Business, <https://www.abs.gov.au/statistics/industry/technology-and-innovation/characteristics-australian-business/2017-18>.

## Enterprise Software Is Built on Transparency and Trust

Enterprise software companies and their business customers negotiate their relationship in contracts and licensing agreements to ensure they best address their clients' individual needs. **Enterprise software companies monetize their technologies and not the data of their customers.**

Enterprise software services, such as cloud computing, are used primarily for business-to-business purposes and are not consumer facing. **The business customers control their data and direct how it will be used.** Enterprise software companies do not have unfettered access to the data stored in their cloud infrastructure or service. Access and use of such data is reserved for the benefit and sole purpose of their customers.



**Enterprise software companies operate under strong existing legislative requirements of data handling.** Across the world, legal obligations often include accountability measures and technical safeguards that ensure enterprise software companies provide robust assurances of trust for their customers. Enterprise software companies also develop innovative, tailored, or customizable solutions for clients that are highly regulated, for example, in the health, financial, automotive, aeronautic, and telecom sectors and the semiconductor industry.<sup>4</sup>

➔ For instance, machine learning solutions can use data gathered across countries to create fraud detection systems in the financial sector.

**Enterprise software helps reduce legal and operational risks for business customers** who can be confident they are using tried and tested software products, with appropriate remedies and support, without having to develop their own software in-house. Enterprise software companies also often provide tools to facilitate their customers' compliance, for instance on privacy, consumer protection, cybersecurity, anti-money laundering, or energy efficiency.

<sup>4</sup> See Cross-Border Data Flows: Enabling Local Economies and Driving E-Commerce, <https://www.globaldataalliance.org/downloads/WTOEventSummary20200702.pdf>.

# How to Create a Successful, Responsible, Software-Enabled Economy



## STRONG PRIVACY PROTECTIONS

Privacy is essential to building trust. Software-enabled business operations increasingly rely on data—and, in some cases, personal data—to function. As a result, data protection frameworks that create a user-centric approach to privacy must ensure the use of personal data is clear, transparent, and consistent with customers' expectations. Privacy laws should create robust obligations for all companies and organizations that handle individuals' personal data. This would ensure companies act responsibly while being able to pursue legitimate business interests.



## CYBERSECURITY

Software innovation continues to connect people across the world. These online connections create efficiencies and spur economic growth, but they also create vulnerabilities that bad actors can exploit if the proper security measures are not in place. Addressing cybersecurity challenges requires innovative tools and practices to defend the integrity, confidentiality, and resilience of the connected ecosystem. One important tool is the ability to use the strongest available encryption technology when appropriate.



## CROSS-BORDER DATA FLOWS

Cross-border data flows are necessary for companies to operate globally; leverage their resources and footprint across locations; innovate; and provide services to their customers, across sectors and geographies. For enterprise software companies and their business customers, the ability to transfer, and process, data globally is pivotal in ensuring the quality, reliability, security, personalization, and efficiency of service.



## RISK-BASED AND TECHNOLOGY-NEUTRAL APPROACH

Software technologies evolve every day, pushing the boundaries of the benefits that technology can bring to organizations and people. Given the fast-paced nature of this industry and its adoption by customers, laws and regulations should strive to provide legal certainty, be outcome-based, and adopt a risk-based and technology-neutral approach, building on legal frameworks that already apply. Any new policy should set clear compliance goals and enable companies to adapt their practices and safeguards to the best-suited approach given their business model, the nature of their activity, their position in the value chain when contracted by others, and their risk profile vis-à-vis the established objective.



## INTERNATIONAL CONVERGENCE

The value of the data-driven economy is in the ability of companies to operate across borders, reach new markets, and service customers regardless of location. Building on each region's own legal and cultural legacy, convergence of rules on privacy, cybersecurity, or data governance and compatibility of mechanisms play a critical role in growing cross-border business that increasingly rely on enterprise software around the world.