The Investor Test
What Makes Sensitive Data Valuable?

If you're a data owner working out how to monetize sensitive datasets, then, this guide is for you. Institutional investors have an intense interest in alternative data, such as yours. Understanding what makes data valuable to them is the first step. Investors look for a unique information edge that helps them beat the market. This is called alpha. In short, if your data is unique, hasn't been monetized before, and is attractive to the public markets, then it's likely to have substantial value.

Here are 10 questions about attributes that boost the value of a dataset for investors. You don't need to have all of these attributes (or even a majority), but they profile what a valuable dataset looks like.

1. Is your data unique?
Datasets with no or few substitutes are valuable.

2. How many sources does your data have?
Expect datasets with one (or a few) sources to have a higher value.

3. Does your data have analytical value?
Investors find datasets more attractive when quantitative analysis can add value.

4. How much history does your data have?
In general, the longer the history, the better. Extensive historical data gives analysts more confidence about the stability of patterns found in your data.

5. What is the breadth of your data?
Data that could be useful across various industries and financial instruments has more appeal to investors.

6. How consistent is your data supply?
Investors will attach a higher value to data available with predictable frequency, consistent scope, and low risk of disruption from regulatory, legal, or operational changes.

7. Does your data contain real-economy views?
Insights into the behavior of consumers (or others) and shifts in economic fundamentals, such as supply and demand for products or services, will have the most value.

8. Does your data show persistent effects?
Data that shows effects over days and months have more value than patterns or signals that appear and disappear almost instantly.

9. How significant is your data?
If the data has the potential to point to significant or novel economic effects, then this increases the value of your data.

10. How ready is your data?
The more ready your data is, the better. Is your data ready to ingest, test, and analyze?

Many valuable datasets contain sensitive information, much like yours. Traditional approaches, such as aggregation and masking, may hide the true value of your dataset, while not protecting privacy rigorously either. Take your data to market safely and profitably with LeapYear. We can work with you to cross privacy barriers, which may have prevented you from monetizing highly sensitive datasets.

Please get in touch with us to discuss your monetization goals.

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