



DATA EXCHANGE DECISION GUIDE

Build vs. Buy

Harbr_



What Is a Data Exchange?

Simply put, a data exchange is a venue for exchanging data assets. Often that exchange is a commercial transaction between a data seller and data buyer, but increasingly businesses are using data exchanges to improve data sharing and collaboration internally and externally. The concept is incredibly simple, yet the nature of data and how it is managed and used adds complexity to the conversation.

For an enterprise whose primary business is not selling data, you have two primary options to enhance your ability to share, collaborate on or monetize data:

1. **Build a Proprietary Data Exchange** by integrating multiple technologies and developing software that facilitates the exchange (and/or sale) of data.
2. **Buy a Data Exchange Platform** that is purpose built to enable users to find, understand and consume data quickly and easily.

Do I Need One?

There are three scenarios where a data exchange is a must.

Scenario 1: You're facing business pressure to deliver more value from data faster.

Today's data architectures encompass multiple technologies and processes that make more data more available than ever before. And yet, the majority of data leaders still fall short of meeting the expectations of their stakeholders when it comes to speed and simplicity of accessing quality data.

Data exchanges are the ideal way to empower your business to create data-driven outcomes quickly and easily. They are consumer-oriented by design and thus eliminate many of the roadblocks that inhibit business stakeholders from realizing value from data today.

Traditional data architectures and approaches have created a data value gap. Learn how you can overcome it in our white paper, [Data Products: Eliminating the Data Value Gap in the Enterprise](#).

Scenario 2: You need to share and collaborate on data with external stakeholders.

A data exchange provides capabilities that make data sharing and collaboration easy with your organization and across your wider business. Just as importantly, it provides granular control over the access and use of that data that is required if you are sharing data externally. Data exchanges include the necessary safeguards to ensure you can exchange data across organizations without losing data custody, security, privacy or control.

Scenario 3: You are selling data assets (or plan to).

If your aim is to monetize data as a product, an exchange is your primary route to market. With data being a digital asset, you need a digital storefront where consumers can browse, preview, purchase and receive (or dictate how to receive) your data products.

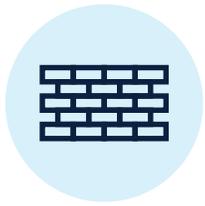
Data Exchanges on the Rise

“Data exchanges are the harbinger of a global data economy where organizations of all sizes and shapes freely exchange information to improve performance and address problems.”

Eckerson Group, [The Rise of Data Exchanges](#), September 2020

Your Data Exchange Options

Earlier, we introduced two options for adding a data exchange - Build or Buy. Each offers advantages and has some limitations. In this section, we'll review those in detail.



Build a Proprietary Data Exchange

Many companies seek to build their own data exchange for three reasons:

- It gives them ultimate control over the capabilities and experience the exchange offers.
- They want to make the most of existing data technology investments and ensure seamless integration.
- And often, they aren't aware it's possible to buy a data exchange platform.

Building a proprietary data exchange is worth considering, but we have seen time and time again that it ends up being more costly and time-consuming than anticipated. And at launch, most will deliver only the minimum viable functionality.

BUILD

for maximum customization



Buy a Customizable Data Exchange Platform

A data exchange platform fast-tracks the launch of your data exchange, while delivering control, customization and a rich set of capabilities from day one. Key reasons companies choose to buy a data exchange platform include:

- Realizing the benefit of years of platform development and in-market experience of the data exchange platform provider.
- Gaining new features and capabilities at no cost to you if delivered via a SaaS model.
- Maintaining focus on your core business objectives and operations, while your platform provider is responsible for the development, maintenance and security of your data exchange.
- Ensuring a predictable cost structure.

BUY

to launch a proven, feature-rich exchange quickly and control costs

Evaluation Criteria



Cost

With data exchanges, there are 2 dimensions of the cost -- the initial cost to launch and the ongoing cost to operate, maintain and enhance it.

Building your own data exchange undoubtedly incurs the higher up-front cost, factoring in costs of design, development, infrastructure, licensed software and more. With a data exchange platform those costs are shared across customers and made invisible to you, so you get a robust set of capabilities from day one for a moderate and predictable cost.

The same holds true when you consider the ongoing costs associated with operating, maintaining and enhancing the exchange. The build option comes with high recurring costs, including ongoing infrastructure and storage costs, operational staff, and a roadmap of new feature development. Meanwhile, a SaaS-based data exchange platform continues to deliver new capabilities on an ongoing basis with a reasonable and predictable cost structure.



Capabilities

When building your own platform, you may eventually have all the capabilities you want for your business, but it's going to take a while to get there. It's likely that you will launch with an MVP (minimum viable product) that covers the basics, but it will take several years to realize the full vision for your data exchange.

Conversely, buying a data exchange platform gives you a complete, market-tested set of capabilities from day one, and as a SaaS platform, will continue to improve over time. In this model, it is important to convey your requirements to your data exchange platform provider to influence their roadmap in ways that benefit your business.





Customization & Control

Customization is the distinct advantage of building your own data exchange. It's entirely up to you to decide what to build and how to build it -- budget permitting. However, since you bear the full cost of feature development, you may be limited in your ability to execute on the desired customizations.

When buying a SaaS data exchange platform, you should expect custom branding and to control the 'rules of the game,' such as entitlements, participants and terms and conditions. While you will not have absolute control, you will benefit from a rapid pace of new feature development and an increasing ability to customize as the platform extends its capabilities to support diverse customer requirements.



Operational Efficiency

If you choose to build a data exchange, it's yours to manage end-to-end, forever. You need to dedicate resources not just for software development but also for infrastructure, operations and security. Unless your organization has the capabilities and experience to develop and manage large technology platforms at scale, you may find it difficult to deliver a satisfactory solution.

Conversely, a data exchange platform frees you from the operational support for your exchange. The technical responsibilities of code and infrastructure management, security and even technology vendor management are the responsibility of the exchange platform provider, saving you time, cost and resources on back-end operations. Those who deploy a data exchange platform also benefit from the provider's economies of scale, depth of experience and singular focus to ensure they are successful.



Time to Value

Speed to value is crucial in every business and a data exchange platform delivers. You should expect building a data exchange to take 9-12 months minimally to reach an MVP (minimum viable product) status -- and likely longer.

With a data exchange platform, it's feasible to set up and launch your custom-branded data exchange data in a matter of days. The most time consuming part of this process is often defining the policies and processes around your data exchange.

Decision Matrix

Business use cases and requirements vary when it comes to data exchanges. After reviewing the pros and cons of each approach, you can use this grid to help you prioritize which criteria are most important and make the right choice for your organization.

Criteria	Build	Buy	Priority
Cost (Start-up)			
Cost (Ongoing)			
Capabilities			
Customization & Control			
Time to Value			
Operational Efficiency			

About Harbr

The Harbr data commerce platform powers new revenue streams and accelerates data businesses. It provides a branded data storefront, to deliver a refined customer experience, and the ability to collaboratively build high-value, customized data products. Build and scale your data business with Harbr.

www.harbrdata.com