

How is Open Data used by small businesses and start-ups?

Start-ups and small businesses also gain particular advantages from using Open Data.

Here are a few examples:

- **Low cost/free resource:** Small businesses are often resource constrained, so having access to Open Data as a free resource, can be particularly beneficial as potentially expensive data subscriptions are not needed.
- **Flexibility and innovation:** Start-ups and small businesses are agile, and are able to pivot and experiment with new products that use Open Data. In contrast to larger organisations, they have more flexibility and are less rigid, making it easier to change or alter their products and services. This gives them more scope to pursue new innovations.
- **Collaboration:** Small businesses are often able to deliver growth by working with other Open Data organisations. Some publishers of Open Data (sometimes large, sometimes small) look to small businesses and start-ups to become affiliates, selling their products and data services to a niche market or new geographical market. This is linked to the Low resource growth benefit above.

Sometimes small businesses can experience challenges in utilising Open Data. We will examine how these can be mitigated next week, but here they are now for consideration:

- **Absorptive capacity:** Small businesses are able to access Open Data, but may experience limitations in obtaining the skills and knowledge to be able to understand the context of Open Data sources and to integrate it into their products and services.
- **Competitors:** Larger competitors with more resources may be able to imitate your products and services by accessing the same Open Data, taking them to the market more quickly than you can, stealing your 'competitive advantage'.

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