LEVERAGE YOUR DATA

A data strategy checklist for the journey to the data-driven enterprise

MANAGEMENT SUMMARY

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Foreword

Digitalization is on the agenda of almost every company, and data is the foundation of digitalization. Its availability and quality are crucial for digital success, making it an important economic asset for the business. It is therefore obvious that this asset should be carefully and farsightedly maintained and developed. But is it?

Data management is unfortunately considered to be a thankless task. Data experts know all too well that their company data is usually not in such good shape. They have been pointing this out for many years and often drive initiatives to address it, but with moderate success. The problem is that data is abstract and therefore difficult for non-experts to understand.

Business users often think that data is something technical that it is not their concern. They believe the IT department should take care of it. While IT is happy to look after the technical storage and backup of data, they refer to line of business experts when it comes to quality and usability. Managers see data as relevant in the context of digitalization, but often think of data-related problems as minor details that have little strategic importance.

Thus, it is taken for granted that companies should have a data strategy.

But what is the scope of an effective strategy and who is affected by it? Why is it so difficult to create added value from data? Which business-related, technical and organizational challenges need to be resolved? What approaches are companies taking and what benefits have been achieved so far? Which conceptual, architectural and technological approaches can support these efforts? This market survey explores these questions.

Participants around the world were polled, with the majority of responses coming from Europe. We examined the current approaches of companies of different sizes from various industries. For deeper insight, we also analyzed the answers according to "data maturity". Participants were asked to rate the skills and competencies in the handling of data in their company compared to their main competitors. This allowed us to gain a better understanding of what "best-in-class" companies are doing to benefit more from their data in comparison to "laggards" (see demographics).

We hope this survey contributes to your company's efforts to leverage its data. Please do not hesitate to contact us if you have any questions.

Jacqueline Bloemen and Timm Grosser, June 2020

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01 Many declarations of intent regarding data, but serious investment lacking

In principle, everyone agrees that data is important, and its targeted use can make a decisive contribution to improved company results. But the fact is that data use is far too difficult today. However, investing in improvements is not usually a real priority. Decision-makers in particular have little insight into their data-related problems and the benefits of potential investment. Best-in-class companies, however, are pioneers in this respect: they have already created transparency about the value of data and what can be drawn from it. They have thus created the basis for convincing decision-makers to invest.

🏆 RECOMMENDATION

Create transparency regarding the value of data, but also regarding the damage caused by insufficient and missing data. There must be a motivation for investments in the area of data. It must be made transparent to decision-makers why such measures are worthwhile.

02 A data catalog creates transparency, but requires buy-in from business users

First and foremost, leveraging data requires transparency: finding, understanding and utilizing the right data for individual needs. In this respect, simplicity is king – for data consumers from both business and IT. Providing an easily accessible description of individual data sources and their dependencies and processing flows is an important step. Data catalog platforms are ideal for this purpose. The usability of data documentation for business users stands and falls with an overarching business glossary. In most cases, however, this will not be possible without the active contribution of business data experts.

🏆 RECOMMENDATION

Implementing a data catalog is an important and effective step towards data transparency. Do not underestimate the complexity of the initiative. Follow a "think big, start small" approach that enables "quick wins". Make sure that you have positive and active colleagues from the lines of business on board.

Management summary

RECOMMENDATION

Data is an asset. The line of business must be made accountable for both the maintenance and use of data. Make data producers responsible for delivering high quality and usable data. Make data consumers responsible for delivering transparency on data requirements, usage and value. This insight is an essential element on the path to becoming a data-driven company.

RECOMMENDATION

Plan for a comprehensive data and analytics platform. Take into account the requirements of classical BI, advanced analytics and, above all, smart processes. Maintaining openness and interoperability as well as data governance are essential. Be inspired by the technological advances of best-in-class companies.

03 Data democratization requires a NEW DEAL on how data is handled across the enterprise

Insufficient quality and availability of data are drivers for self-service analytics. However, this promotes a proliferation of varying data interpretations and has a negative impact on efficiency. Usability of data starts where the data is produced. Data producers need to understand and take into account which data-related needs data consumers have. At the same time, data consumers must understand the requirements and restrictions of data production processes. Enterprises need a "NEW DEAL" between data producers and data consumers that effectively addresses the top three challenges to improving data handling – time spent, a lack of transparency of data value and insufficient data quality. The goal is to optimize company data in terms of a common vision in a cooperative and iterative way and thus to accelerate the digital transformation on the basis of data.

04 Architecture and technology play an important role in the transition to a data-driven enterprise

Architecture and technology for data and analytics is frequently associated solely with data warehouse and data lake environments. However, successfully leveraging data does not just begin with local data consumption. On the one hand, systems supporting smart processes must have a stronger focus on high-quality data generation. In addition, their architecture must be made fit for digitalization. This implies both functional and data management requirements. The design approach must be holistic and aligned with the requirements of classic BI and data & analytics labs. End-user-friendly technologies must ensure that business users are actually empowered in terms of data democratization.

Management summary

05 **Enabling a data-driven enterprise requires a fundamental cultural change driven by the executive level**

Technology is an enabler but not the driver for data-driven working. Individuals adapt to the corporate system. Corporate culture and organization must therefore be realigned. In this respect, the widely adopted bottom-up approaches to digital transformation are very limited in their impact. Measures such as establishing clear responsibilities for data in the line of business, investing in data literacy by carrying out targeted staff development and training, and developing the corporate data culture from "need to know" to "right to know" require strategic orientation and active support by the executive level. You will also need a cross-functional team of mid-level directors and managers who have a vested interest in becoming a data-driven organization.

RECOMMENDATION

Secure strong sponsorship from senior executives and functional leaders for the inevitable cultural and organizational change. Establish strategic steering (i.e., vision, goals, plans) and a program (i.e., organization, roles, processes) for the transformation from siloed thinking to data democracy and multidisciplinary data & analytics collaboration.

31%

experience a **lack of active support** and strategic orientation by managers.

> *Enabling a data-driven enterprise affects every employee and requires a fundamental cultural change. Executives must want, initiate and actively promote this change.*

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