DATA STRATEGY

FROM A PRACTICAL AND REAL POINT OF VIEW

**sdg** group

ANALYTICS-DRIVEN DECISIONS.

WHAT IS A DATA STRATEGY?

Data As A Strategic Asset

"It's not enough to digitize. We have to datatize."

Data being used as a strategic business asset is not a fad, it's the new business paradigm and a new challenge in the age of digitization.

"It's not enough to digitize. We have to datatize." This was said by Marcia Lei Zeng, Professor of Library and Information Science at Kent State University in 2014 to highlight the role of datatizing a large volume of information, and organizing it in such a way that it's easily traceable, as well as shared and integrated into other databases.
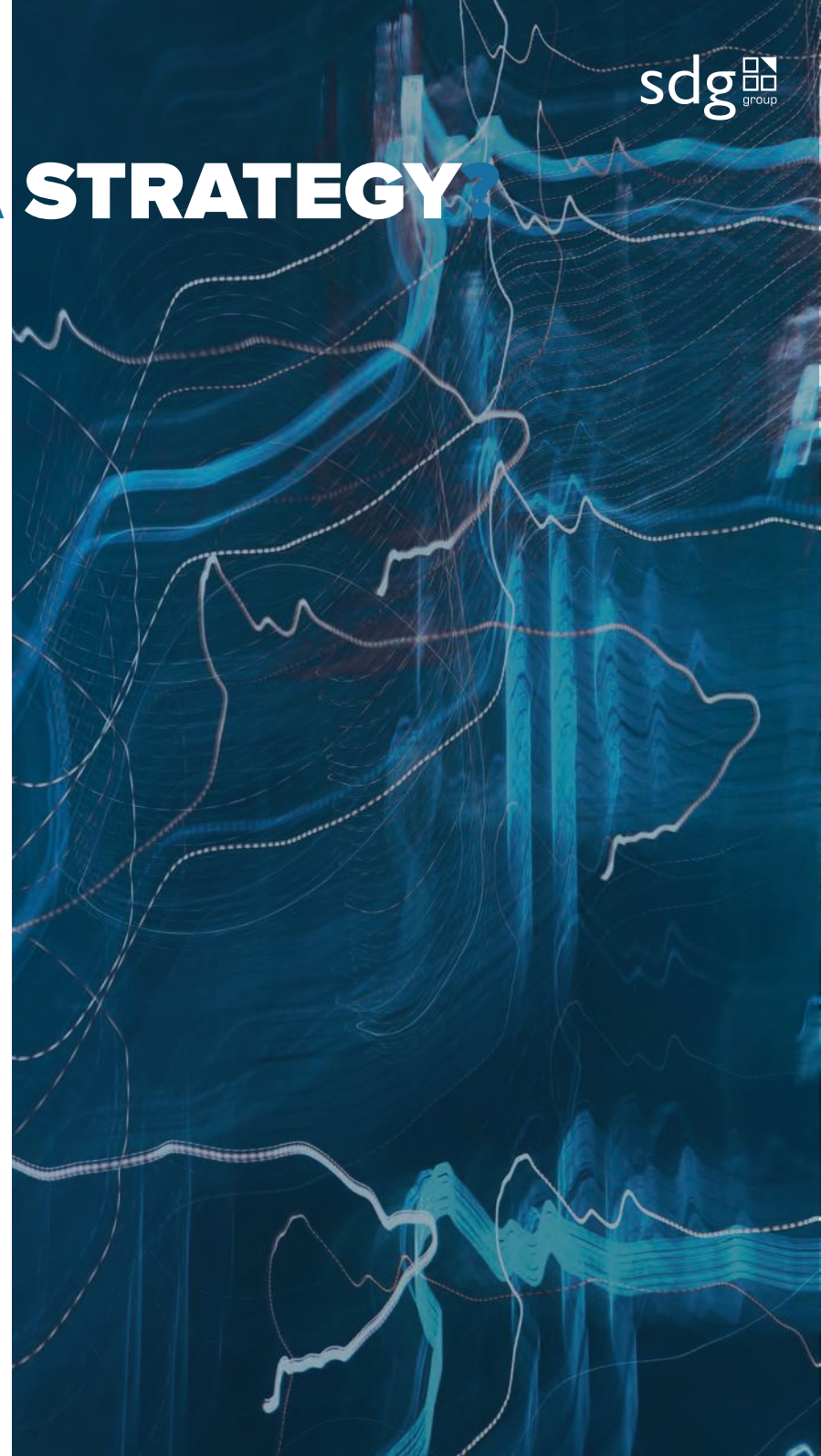
> **"each business needs a data strategy"**
>
> Bernard Marr

There's already an understanding of how valuable data is to business and the importance of a data culture, but a data strategy is needed to turn "data into transformational assets." As Bernard Marr has said, "Data is important to all companies. Therefore, each business needs a data strategy."

This may seem obvious, but to be clear, the most important part is to align the data strategy with the business strategy. Before we go further, let's rewind for a moment to talk about data strategy.

Data Strategy

> "ASK YOURSELF IF WHAT YOU'RE DOING TODAY WILL BRING YOU CLOSER TO WHERE YOU WANT TO BE TOMORROW."
>
> Walt Disney

So far, organizations have been especially concerned with data storage and they've developed sophisticated methods for managing the data they've extracted, but few have addressed how to manage, share, and correctly use all their data at all levels of the business. The data cannot be an asset until it's organized with a sense of business vision so that the entire company can take advantage of it and use it strategically.

A data strategy is primarily a plan designed to convert data into assets that enable a company to achieve its strategic objectives. From an operational point of view, it's the roadmap to improved decision making and optimized processes through data.

A well-defined data strategy allows a company to leverage and share data across the entire business to improve basic functions such as budgeting, workforce management, and governance. It doesn't matter what type of business it is, the reality is that in today's market, those with the best data systems and capabilities will gain a larger margin.

To execute the data strategy, it's necessary to collect, store, manage, and share data in order to convert it into transformational assets. This should be developed by following the data life cycle: data, technology, analytics, people, and culture.

Why Do You Need To Align The Data Strategy With The Business Strategy?

There's no point in generating reports on a particular area of the business if the manager does not connect the KPIs of the department with the KPIs of the entire business.

Companies need to start taking data management into account, and not only in the IT department. There are three key reasons to align your data strategy with your business strategy.

The know-why goes before the
K N O W - H O W

Data is a Strategic Asset:

Data is a valuable resource that's needed to efficiently achieve the different strategic business objectives.

Internal Change in the Company:

Organizational change has to be born and pushed down from the highest level of the business. The C-Suite is key, and it's the responsibility of the CEO to generate internal change involving business plans so that the transformation is comprehensive and transverse.

Greater Control and Responsiveness

If the data strategy is implemented at the top of the company, then all the information will be out on the table. Any unforeseen needs regarding data management, technology, processes, people, and capacity will be uncovered quickly, and resolved using the best solution. This will save time and resources as the business grows and evolves.
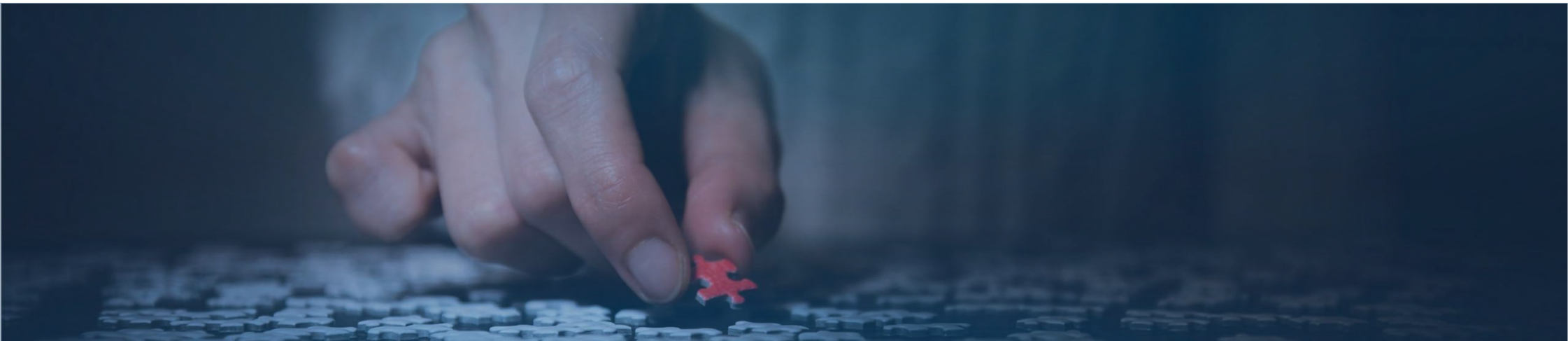
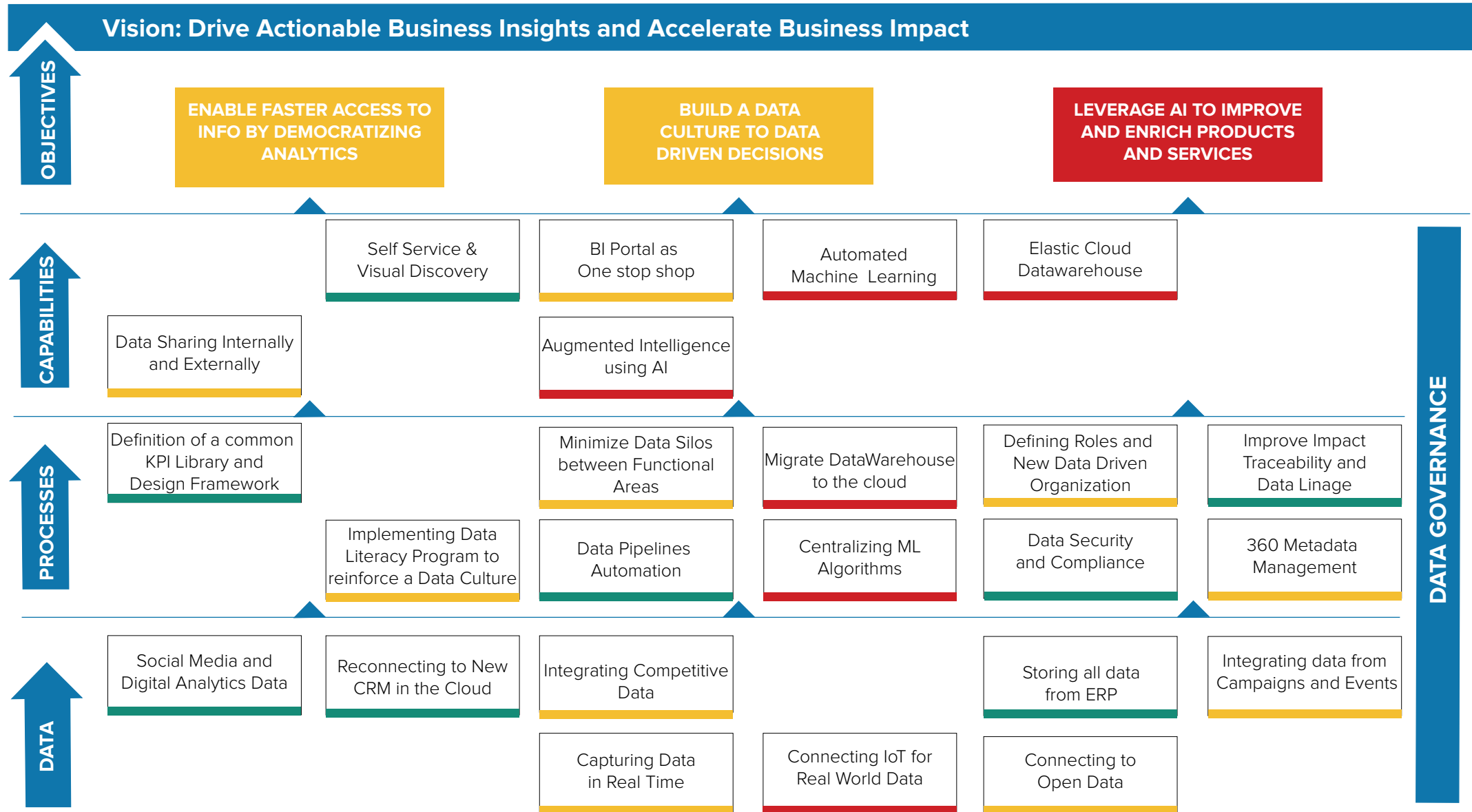1

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The Strategic Data Map

"You can't measure what can't be described." - Robert Kaplan & David P. Norton

Strategic maps are the visual representation of the strategy. They provide a macro view of different actions through cause-and-effect relationships.

In regards to the Data Strategy, these are the pillars: data, processes, technology, people, capabilities, and objectives. In each pillar, we must create a tactical plan that will take us through the next steps until we achieve our objectives. This is driven by a strong data culture, a continuous data governance plan, and an understanding of the data life cycle.

DATA STRATEGIC MAP, AN EXAMPLE

Vision: Drive Actionable Business Insights and Accelerate Business Impact

OBJECTIVES

ENABLE FASTER ACCESS TO INFO BY DEMOCRATIZING ANALYTICS	BUILD A DATA CULTURE TO DATA DRIVEN DECISIONS	LEVERAGE AI TO IMPROVE AND ENRICH PRODUCTS AND SERVICES

CAPABILITIES

	Self Service & Visual Discovery	BI Portal as One stop shop	Automated Machine Learning	Elastic Cloud Datawarehouse
Data Sharing Internally and Externally		Augmented Intelligence using AI		

PROCESSES

Definition of a common KPI Library and Design Framework		Minimize Data Silos between Functional Areas	Migrate DataWarehouse to the cloud	Defining Roles and New Data Driven Organization	Improve Impact Traceability and Data Linage
	Implementing Data Literacy Program to reinforce a Data Culture	Data Pipelines Automation	Centralizing ML Algorithms	Data Security and Compliance	360 Metadata Management

DATA

Social Media and Digital Analytics Data	Reconnecting to New CRM in the Cloud	Integrating Competitive Data		Storing all data from ERP	Integrating data from Campaigns and Events
		Capturing Data in Real Time	Connecting IoT for Real World Data	Connecting to Open Data	

DATA GOVERNANCE

What are the benefits of a Strategic Map?

Communication:
Facilitates communication with teams so they understand the overall benefits beyond the success of their area.

Efficiency:
The strategic map simplifies the alignment of different business areas and makes meetings more efficient and productive.

Commitment:
The process of creating the strategic map involves all C-Level roles and transforms the strategy into an ongoing process.

Resilience:
Cause and effect actions make it easier to execute pilot tests and to validate them in segments without affecting processes, and to pivot the strategy if necessary.

Integrated Planning:
Provides a highly accurate estimate of the amount of time and resources that are needed for each project.

The Data Trinity
Leadership, Data Culture, and Strategy

Everything we've said so far leads us to the Data Trinity, three qualities that will help us successfully move to each phase of the data life cycle: Leadership, Data Literacy, and Strategy.

Leadership: Is needed so that all employees use data to make decisions instead of intuition or experience.

Data Culture: Data must be the second language of the company and all employees must be able to read, work, analyze and discuss data. This is also known as "Data Literacy."

Strategy: It's required for analysis, planning, measuring, and monitoring. As Sun Tzu said in "The Art of War" his famous dissertation on military tactics and strategies, "Tactics without strategy is the noise before defeat."

Problems You Can Expect To Face With Your Data Strategy
And how to solve them with competence

This can all be found on Google…

GOOGLE SEARCH	RESULTS	TIME
What is a Data Strategy?	35,700,000	0.72 seconds
How do you create a Data Strategy?	28,000,000	0.88 seconds
How do you design a Data Strategy	28,400,000	0.64 seconds

What's actually complicated to figure out is how to efficiently solve the problems you will encounter along the way in each phase of the life cycle. Below are the most common issues based on our experience with customers.

DATA

The data is not accessible, traceable, secure, or democratized.
A common mistake that companies make is investing in technology without first taking into account the data, the needs, and the objectives that need to be met. They end up adapting the business to the technology instead of applying the best technology according to the needs and objectives. It's key to implement technology that best suits your organization.

TECHNOLOGY

There's no scalable model.
There is more data to manage and therefore more unstructured data. The common mistake when implementing technology is developing a bespoke solution thinking it's the best solution just because it's tailor-made. The reality is that a bespoke solution will not be scalable because it only addresses the needs of the short or medium term. It's better to implement a market solution from a technology partner because they have already studied the different business cases and they have a product roadmap, giving them a long-term vision.

ANALYTICS

Analytical Myopia:
The report-to-report model is not the most suitable. Reporting on something after it's occurred needs to become obsolete if you want to get the most out of data. It's essential to have a long-term, global view of the data strategy in order to correctly plan resources, equipment, budget, and to predict possible setbacks. The recommended analytics model is a predictive model with a good analytics strategy to influence processes. This strengthens the strategic map because it will be lined up with what lies ahead, and the company will not suffer from shortsightedness.

PEOPLE

The company is focused on analytics but it doesn't pay attention to the needs of the business. It's important to be clear about peoples' capabilities and to train them so they can carry out the data strategy. A common mistake is to pivot the strategy too far into the analytics part, losing sight of the business. It's better to cross analytical thinking with business vision and create "Citizen Data Scientist" roles that are a hybrid between a Data Scientist and a Business Analyst.

There is no data culture. Data isn't accessible, therefore people aren't working with it. The entire organization is not trained on how to read, work, analyze, or discuss data. Culture is key to launching a data strategy.

CULTURE

THE ROI OF A DATA STRATEGY

The main goal of a data strategy is to improve decision-making, and all decisions come from key questions. If you're able to answer these key questions, that's an indicator of a successful data strategy.

These questions may vary as they depend on the overall needs and objectives of each company. Below we have reference questions posed by Bernard Marr in his book "Data Strategy" as a representative sample for the commercial area, finance, internal processes, and people.

Are you able to answer these questions?
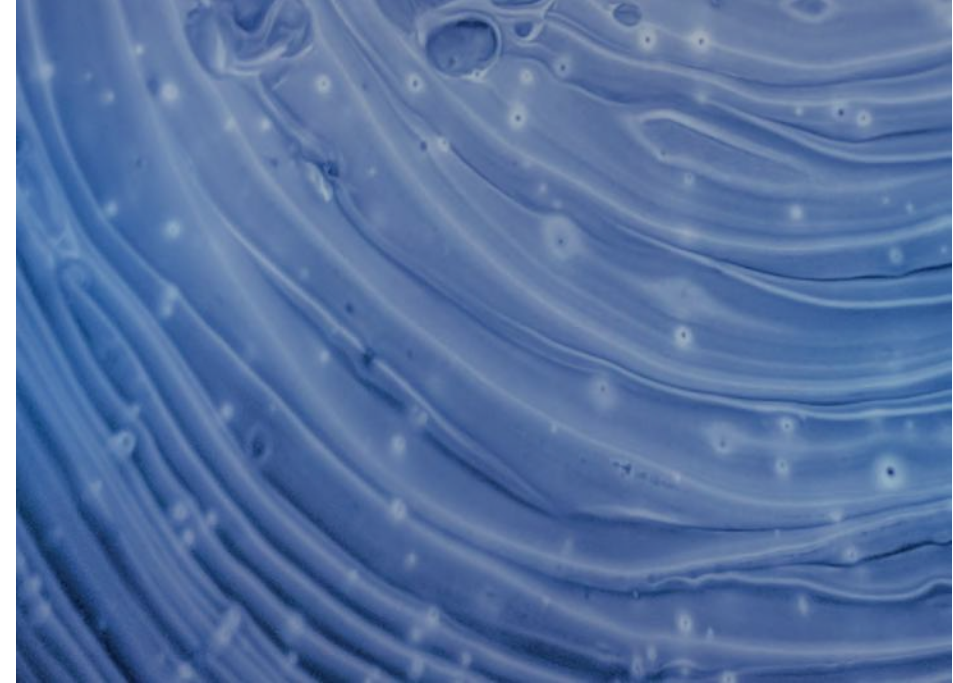
COMMERCIAL

What are the trends in our market?

Will there still be demand for our product in five years?

How do we set the prices of our products and services in the best way?

Which market or sales channels are the most effective?

How satisfied are customers with our service?

PEOPLE

What fundamental skills do we need in the next two years?

What are the most profitable recruitment channels for certain positions?

Which employees are at risk of leaving?

How do our employees rate management?

FINANCE

How does our strategy generate revenue?

What are our key sales, revenue, and profit trends?

How much will it cost to produce and deliver our product/service in the next 12 months?

In which areas do we have opportunities to save money?

INTERNAL PROCESSES

Do we have the right partners to meet our strategy?

How do we optimize our supply chain?

Do we have the right technology and systems in order?

How well are our projects carried out according to time and budget?

When you focus on the right questions you can identify the data that's actually needed to get the corresponding answers.

What are the key questions
you need to
answer to
achieve your
company's
strategic
objectives?

For a no-obligation discussion around how we could help your company with data strategy, please contact:

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Analytics-Driven Decisions.