

# CREATING A DATA STRATEGY

Develop the right strategy for data-driven results.



# Why you need a Data Strategy

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As the world has become smarter and been forced to react to the global pandemic, data and digital transformation have become the key to increasing a business's competitive advantage. Many companies have taken the opportunity of lockdowns to review their transition to digital technologies and consider the changes they need to make to exit this period stronger than when they entered, ready to compete in what will be a new world.

In 2020, we saw first-hand how businesses and industries that had already prioritised data were less susceptible to the effects of the pandemic and continued to grow. These included Supermarkets, tech businesses and pharma to name a few. Those without a strategy for data and digital transformation needed to adapt fast.

Businesses that prioritised their data were able to react to changes in their market to navigate circumstances and make better decisions. Pilgrim Foodservice, described data as the 'candle that they needed to follow' and used it to save their supply chain. In a matter of months, Hospitality and Retail businesses had made technological advancements that would typically take years by investing in cashless trading and implementing new order and pay apps, and creating "meal at home" kits.

In 2015, IDC predicted that by 2020, all businesses would be embarking on a digital transformation and this has been a matter of survival for many during 2020. From our research, an effective digital transformation begins with a Data Strategy.

A Data Strategy is a group of choices and decisions that an organisation makes to manage and use data more effectively. Having the right Data Strategy in place is key to achieving both business and technology objectives. It is the comprehensive vision and actionable foundation of an organisations ability to harness data.

Data Strategy has become a topic of discussion around the boardroom table and numerous articles and books have been written about Data Strategy in recent years. There is no right or wrong way to create a Data Strategy, however, in our experience, there are several fundamental pillars that support a successful Data Strategy.

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“A COHERENT STRATEGY FOR ORGANIZING, GOVERNING, ANALYZING, AND DEPLOYING AN ORGANIZATION'S INFORMATION ASSETS THAT CAN BE APPLIED ACROSS INDUSTRIES AND LEVELS OF DATA MATURITY.”

DALLEMULE AND DAVENPORT  
HARVARD BUSINESS REVIEW

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# Data Solutions

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Data is information, but this information can only become useful to a business if it addresses a specific need. Over the last decade, with the explosion of big data and companies implementing systems to address every area of their business, companies have collected large volumes of data, often without determining why they truly need it. Not all data is useful in a Data Strategy and having too much can make the processing time consuming and difficult, losing the support of management. That is why a good Data Strategy begins by assessing the needs of the business.

A Data Strategy requires an understanding of the data needs inherent in the business strategy. Your business will have a strategy for growth and development that drives some strategic priorities. The task is to assess the impact data has on those priorities and how it can support the delivery of them.



Consider how data can support your business goals at the very beginning of the objective setting stage. What are the critical KPI's that will determine whether you are progressing towards meeting those goals?

A successful Data Strategy has people at the heart of it and needs to be useful for all stakeholders, not just for Analysts. It is important to consider the needs of your employees and how data can enhance their abilities to do their job better. How could data help relieve the pressure on your existing workforce? Could automating reports improve productivity and save time? Knowing what your business objectives are today, and in the coming 2 - 5 years will help guide your Data Strategy to meet your long-term business goals.



# Gaining Support from Senior Management

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Data can be beneficial to businesses in many ways. While most are becoming aware of the importance of data, it can sometimes be difficult to gain support from senior management. This can cause the execution of a Data Strategy to be delayed and deprioritised.

The business will have many data-based needs and it is almost impossible to address them all simultaneously. By prioritising them into short, medium, and long-term activities, it is possible to identify the quick wins. Achieving these quick wins helps to engage the management team and proves the importance of data as an asset within the business.

As these short-term activities are delivered, Senior Management will become committed to the importance of a Data Strategy and drive it to become more embedded into the business at all levels. This allows attention to move towards the medium / long term activities, which are likely to be more complex, time-consuming and require greater investment.

These short-term priorities should be aligned with the long-term strategy and need to be regularly reviewed to see what the next short-term priorities are. A consistent flow of new capabilities and information that supports the aspirations of the business and its stakeholders will ensure that development can continue and more “wins” are realised.

# Collecting the Right Data

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Businesses need to assess what data they want and need, and the availability of that data. Then they can assess the data they don't have, and the significance/investment associated with acquiring it. For data that can be found in-house, discovery work can take place to identify the source system(s) and any roadblocks to getting access to that data. We also need to determine whether the data has the right level of detail and is updated with the right regularity to answer the questions raised by the user community. We also need to consider who owns the data and will manage and clean the data? Who will create and enforce data policies?

For example, is the data private (especially in light of GDPR)? Is it guarded by restrictions brought on by software licensing? Are software connectors needed? Is the support of a third party required to get access to the data we want?

Furthermore, we need to ask ourselves how easy it will be to collect this new data, how quickly it can be set up, the investment required, etc. If the benefits outweigh the effort, then it needs to be built into the Data Strategy. This additional data might be created through our existing systems but could also be from third-party data providers.

More and more companies are using external data to look outside of their own "four walls" to give them a view of their market and industry. This involves incorporating data such as weather, Government metrics, customer demographics, industry sales figures, etc. Most industries have data specific to that industry allowing companies to measure themselves against their peers.

This observation will strengthen the case for the Data Strategy and garner more support at a senior level.

Keep in mind that you should not be trying to collect all the data available, you should be collecting the data that answers the questions the business has.

# Data Governance, Policy and People

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Over the last few years of what has been known as the Fourth Industrial Revolution, data volumes have grown massively and governance over this data has changed. Keeping sensitive customer information secure from theft and vulnerability in our digital world is just not as easy as locking the filing cabinet – especially with the widespread adoption of cloud computing. Fines for data leaks and malpractice are becoming increasingly common impacting big firms like British Airways, Google and even the UK Government.



When writing *The Fourth Industrial Revolution*, Klaus Schwab highlighted his concerns regarding data governance and suggested the issue that many companies face with securing data is their lack of understanding about where their sensitive data resides. Companies often don't have set policies to systematically and consistently categorise their data, and consequently, they don't have controls in place to ensure that all categories of data are handled appropriately. There is also a user education dimension to this problem – users need to understand the sensitivity of the data they work with and their role in keeping it safe. In many cases, this involves educating users about what they can and cannot do.

Data Governance provides the framework to allow data management to work for everyone. A well-constructed data governance structure ensures that each data element will have people responsible and accountable for it. This will include all aspects of the capture, storage, sharing and even deletion of data. GDPR's focus on Privacy and Data Protection relies upon end-user departments embracing the new rules not just as a one-off but on an on-going basis. At the end of the day, employees are focused on their day jobs and questions of policy and governance are far from the top of their minds. By appointing Business Data Stewards who provide a link to the business context, it's possible to create a bridge between data governance and day to day operational work.

# Data Governance, Policy and People

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Data Stewards take ownership of the data and work with the business to define the objectives. The role of a Data Steward is maintaining control in data governance and master data management initiatives on a day-to-day basis. Most of the key business functions will appoint a Business Data Steward who will work together within a governance structure. The Business Data Steward takes the agreed policies and procedures back to their functions which ensures regulatory compliance, privacy policies, access control and security are consistent across the business. At the same time helping driving change and improving data quality



Data Governance is an important subset of an effective Data Strategy. It's vital to ensure that your data is clean, accurate, usable, and secure. Data quality, security, privacy, GDPR, measures libraries, management control and administration are all ways to govern your data. There are lots to consider here but done right, you will only need to implement it once. Thereafter, this governance must be maintained reviewed, adapted and audited, together with compliance reviews and quality control.

# Data Management and Expertise

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Once reaching this stage of curating your Data Strategy, business leaders must ensure the right expertise is available to execute it correctly. Typically, a CDO or a CIO is tasked with bringing all these elements together and overseeing the execution of the Data Strategy.

It's the task of the CDO to assemble a team to deliver the strategy. For some that might mean recruitment, for others they may choose to establish a relationship with a trusted third party, or it could be a combination of both. Give thought to the impact of team members leaving the business and aim to minimise the impact on your projects should this happen. Do what you can to avoid team members taking their data knowledge with them. Consider a comprehensive documentation plan.

For any business, working with a third party is often the most cost-effective option that brings additional benefits. Without the budget of a large business, smaller businesses can benefit from:

- best practice advice
- the wealth of knowledge third parties have across their domain expertise
- similar projects that have been carried out before
- expertise across various industry sectors, and
- knowledge of many products and platforms.





# Data Management and Expertise

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Some businesses choose to adopt a hybrid approach by mixing external support with internal resources. If the internal resource is of a senior enough level, this approach works well by having someone in the business able to communicate across all levels and promote the benefits of the strategy, driving it forwards.

Beyond these points, you need to consider the internal technical expertise you want to have for the different products and platforms. For example:

- All expertise is internal and provided in-house
- All expertise is externally provided by a third party
- A hybrid of the two

Having internal expertise can be advantageous to deliver new requirements quickly and not be delayed by any resource limitations of your third party. However, consider the impact of team members being unwell, being on holiday or leaving the business and if this would leave you exposed.

While working with a third party may seem more expensive initially, going alone can produce an expensive error and cost your business time but adopting the help of a third party can bring returns in new ideas and consistency. If a third party is important to your strategy, work closely with them to ensure they can provide the service and support needed by your business.

# Enabling Data with Technology

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Although businesses have always had to think about how their industry is changing and what advancements will need to be made to stay competitive, the COVID-19 outbreak in 2020 has rapidly accelerated the digital transformation of industries such as hospitality, retail, vehicle retailing and events. Businesses with an advanced digital and technological infrastructure were able to pivot and react to changes in the market much faster than their competitors.

After understanding the data objectives and assessing what data is required, businesses must determine what products and platforms will be needed to achieve the objectives. They must determine if new technologies are required and if existing technologies need to be replaced or upgraded. Do suppliers of existing technologies have a roadmap that aligns with the needs of your business? Cloud technologies are becoming almost a defacto standard now. Most suppliers and most technologies offer a cloud option. Consider carefully where cloud technologies fit into your business and if you decide they are not right for you now, give thought to whether this might change in the future.

Consider also the licensing models of the solutions and platforms as part of your evaluation. How is the product licensed, what is the licensing impact if there are changes in your business, does the model offer the flexibility that you need? Different software and platforms vendors charge in different ways so ensure you're clear about what you're signing up to before committing.

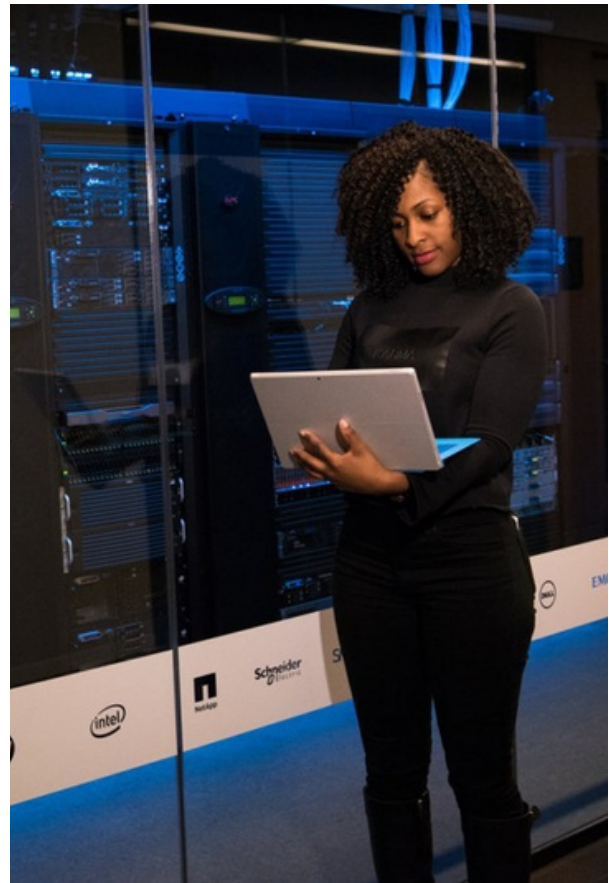


# Enabling Data with Technology

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Businesses should also review emerging technologies and assess their value for future-proofing the business. Consider the long-term implications of these decisions concerning the future growth of the business, “Are we happy to migrate systems in the future or do we want to invest in “premium” solutions now?”.

Consider a cost-benefit analysis of both options to determine the most effective decision for your business. You want to ensure you are obtaining the right technology to complete the right tasks at the right time, so ensure you do your research and get the advice of stakeholders and data experts to validate your decisions.



In some cases, consideration of time zones, currency, language, support implications, real-time data access, internet connectivity and internal documentation might be necessary and may influence your choice of partner, product and platform. For a business operating in a single territory, these may not require so much consideration, but if you plan to grow internationally, they should probably be reviewed. Consider the implications of regulations for your data in different international regions. There is no point in having a tool that cannot support the data policies set by the governance process.

# Change, Education and Control

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Most organisations have an individualistic approach to data whereby each department, may put their raw data into whatever format they think is best. However, according to Scott Taylor, (Strategic Adviser and Data and Technology Consultant), having multiple silos creates disparate data, data errors, no single master data library and makes it difficult for top-level management to gain a holistic and comparable view of the business. This approach leads to a lot of wasted resources. There needs to be a centralised repository for your data to ensure it can be accessed across the business without duplication or error. By setting up effective processes, KPI's and metrics, businesses can begin to create a single source of truth for everyone to use, improving the adoption of the Data Strategy.

Another important thing for businesses to consider is how to boost data literacy within their company. A Data Strategy can only be effective if people can use and understand the data they are given once it is presented. This drive towards data literacy for all will advance the adoption of self-service data analytics, moving businesses away from the guided dashboard reporting approach. The success of this strategy has already been proven by companies like GymShark who developed data literacy across the business through self-service data science. They provided easy tools with pre-configured workflows to allow everyone to safely and accurately explore their data from databases, local files, reports, dashboards, and workflows.

Organisations like Qlik are trying to make it easier to boost data literacy within businesses. Qlik's own Data Literacy Program is designed to empower your entire workforce to use data effectively – regardless of role or skill, offering comprehensive learning resources including workshops, instructor-led data literacy courses, online learning modules, videos, reference guides and live webinars to support skill development.

And best of all, it's free!

# Measuring Your Strategy

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Once these elements have been established, it is important to understand how to measure the success of the strategy. Those creating the strategy must decide upon metrics to use to assess the progress the business is making against its stated objectives and how the Data Strategy has attributed to their achievement. This will allow the business to understand how effective the Data Strategy has been and to reflect upon if it is (still) fit for purpose or if it needs updating. These metrics should be agreed upon at the outset.

When starting with a new Data Strategy, it can be difficult to accurately quantify changes. The first benefits a business will witness are likely to be 'soft' benefits such as increased knowledge and team agility. Businesses could choose to measure improved and faster decision making. For a retailer, measuring supply chain efficiencies and reducing inventory costs can be an indicator of 'better' decision making.

However, a business should look at the whole picture rather than just one set of metrics. If all key metrics are improving, that is good, but what are the counter metrics? While website visits may be increasing, if the bounce rate is also increasing, it suggests that users are not having a good experience on your website or not finding relevant content. Consider identifying long term counter metrics.

Ensure that you are measuring the right metrics and always consider what could be missing. Finally, review regularly. The world of technology changes constantly and quickly. Make sure that your Data Strategy is always fit for purpose. Make changes where necessary but take care not to make changes on a whim because you've seen or heard something new. Evaluate methodically but swiftly and update your Data Strategy accordingly to ensure it is always a true reflection of your plan.

# Getting Started

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There are several ways to begin the development of your Data Strategy. First, you need to build trust in the data, the senior management team all need to buy-in to the importance of a Strategy and decide who will be responsible for its execution. In a large business, you may decide to recruit a Business Transformation Director or Chief Data Officer; in small to medium businesses, this responsibility may be taken by another member of the board.

Once responsibility is decided you then need to agree on your approach:

- Resource from existing/new internal staff
- Work with a third party
- A hybrid of the above

In making this decision, you may decide to talk to others in your professional network to see if they have a Data Strategy and how they approached it. Talk to your existing technology suppliers to see if it's a service they offer. Interview new third parties to give you ideas and to enable you to compare and benchmark approaches and ideas. Whatever decisions you make, at some point you will need to begin a fact-finding process, Stage 1 and talk to your peers on the board.



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