

Is spending money on your data strategy a cost or an investment?

One of the biggest and most important questions that businesses need to answer for themselves is how they are going to look at the money they have budgeted for their data, as a cost or an investment.

This goes right back to the culture of the company... So, who sets the culture of the company?

There are several companies that have renamed 'Human Resources' to make it look like they are responsible for the culture of the company, things like 'People and Culture'... In my opinion, this is an incorrect assigning of responsibility. Culture is created by those steering the company, traditionally the CEO or equivalent within a country or division. Whilst a 'People and Culture' department can certainly identify and describe a "Data driven Culture", they actually have very little influence in the direction of such a thing.

The CEO has the vision for the direction that the company needs to go in and as such they have an overarching strategy of how they are going to achieve this. If that strategy and clear direction doesn't include becoming a data driven business, then they will always view any data strategy as an expense and not an investment. It is also critically important that the CEO and key leadership are seen to be striving, looking at, and talking about the key numbers in their business.

What does that mean for the data teams in companies that are not embracing being data driven? What is the impact if there are mixed messages?

Skilled Data and Analytics people crave innovation and process improvement and in a lot of cases that comes at a cost. If the business they are working for doesn't provide them with these opportunities then they will seek out employment that gives them what they are looking for. In today's environment, skilled data people are a valued commodity and companies that live and breathe data environments are actively hiring. As a result of this in an organisation not living these values, the Data Team ends up short handed and/or full of team members who do not have sufficient business knowledge due to short tenure.

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I can almost hear some CEOs saying that they have embraced being data driven and given them a budget to make it happen, but they are not seeing results.

Are you sure?

Is the budget really aligned with the goal that you have shared with the team? I doubt it to be honest...

A lot of companies expect instant results from their investment without clear and concise direction or without any understanding of timelines required to see results.

Becoming a data driven business can be likened to building a house. No, it doesn't start with a good foundation... It starts well before that.

It starts with a piece of land that you are going to build the house on, the basis of your technical infrastructure (on-prem, in the cloud or a hybrid). Then when you are building a house you find an architect to design the house and you pay them to design your house within the constraints of the piece of land and your requirements.

You need to do the same and do your data design first...

Then you go and find a builder to build your "house", most of them are companies these days. In the data world they are the companies that supply the cloud infrastructure (Microsoft, Oracle, Amazon). Then you may or may not choose to hire a project manager to manage the project of building your house, this is required in the data world, they may also be the same person as the architect of the design. You can choose to project manage this yourself if you have the experience, or you can rely on people who do this for a living. Only then can you break ground on your house, you are still probably about 6 months away from being able to live in it...

I think you get the picture, in the same way as you need to pay upfront for your house and don't see the benefits of that house until after it has been built and you live in it, the same is true of building your data strategy. There is upfront investment that is required to see the benefits down the line.

Also, just like a house, the solution may need to be renovated in the future to meet the changing needs of your business (your house needs an extra bedroom due to your family growing).

There are three things that I recommend that all companies need to do to develop and maintain an investment attitude about their data strategy.

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- Set up a regular review process and be willing to spend on the changes that are found to be required. (It can be better to use external parties for this review)
- Be willing to innovate and give people latitude to be able to do this without fear of repercussions if things don't work.
- Consistently review both your data people and technology budget to ensure you are going to stay current and keep your best people (tech is great but without people to maintain it tech will breakdown)

Once you have implemented these strategies to show an investment attitude to your data strategy the next thing that you will need to review is the strategy itself.. You have all had enough people talk to you about Goal Setting or heard the catch cry 'Start with the End in Mind' so I won't bore you with those details, I will give you this quote though. 'An Investor without Investment Objectives is like a Traveler without a Destination' (Unknown).

What is your data strategy destination?

As Warren Buffet said, 'Someone is sitting in the shade of a tree today because someone planted a tree a long time ago.' Is it time for your business to invest in the future instead of counting the costs of your data strategy? If your business needs help with your review process, please contact a Fujitsu Data & AI specialist now.

Contact

Fujitsu Data & AI
+61 3 9924 3000

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