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# Regaining Trust and Accelerating Speed Reconnect Your Data Strategy

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**PAC**  
a teknowlogy group company

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# 1. Introduction

For many organizations, recent experience is forcing a reappraisal of how important data is to their core strategy, leading them to consider if their current approach is truly fit for purpose. The UK National Health Service is a good example. During its initial response to the pandemic, it identified that having a clear, single view of hospital bed and ventilator availability as well as local patterns in the number of new cases would be critical to the country's ability to control the spread of the virus. Leadership realized that it would only get this insight if it could break down the silos in which the data was held, and responded by standing up a new cloud-based data store in a matter of days, that enabled it to analyze more than 30 different sources of vital data.

The speed at which the NHS was able to move with this initiative has encouraged it to explore other new ways of using data across the organization and with partners in both the public and commercial sectors. The ability to harness anonymized data from multiple sources that had historically been buried within different departments or organizations has encouraged the NHS to launch a new data strategy which sets out new principles on data collection, sharing and use, with the aim of reducing bureaucracy and empowering frontline health and care workers.

It has been a little over a decade since the first wave of adoption of big data solutions, when CEOs first started to talk about aspiring to become "data-driven organizations." Since then, European businesses and public sector organizations have invested billions of euros in data analytics skills, making clear progress.

But when push comes to shove, many business leaders find themselves unable to get access to the reliable insight that they really need to make the critical calls. This has been brought into sharp focus at a time when many were forced to make snap decisions that impacted employee safety and staff relocation as well as cash flow and customer service.

So, what is holding businesses back from harnessing their data's full value? It's a question that needs addressing as a matter of urgency with data playing an increasingly critical role as organizations aim to accelerate their time to market, differentiate through a superior customer and employee experience, and ride the new wave of digital co-creation through partner ecosystems.

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In this White Paper, industry analyst group PAC explores why there is a disconnect between the data strategy and the goals of the business and the impact that this is having on performance. We also look at how successful companies are bringing analytics closer to core business processes in order to increase transparency and accelerate insight, and enhancing data governance models to break down silos and realign to key business outcomes.

As we shall see, the ability to harness the power of data has been the difference between success and failure for many organizations during their most challenging period. Business leaders now need to ensure their data strategy doesn't fall into the usual traps if they are to successfully rebuild for growth.

# 1. Is Your Business Really Data-Centric?

When the CEO of one of Europe's largest fashion retailers first learned that the region would be entering an extended lockdown, they had one urgent question: With the plan to close all stores to protect the safety of its workforce and its customers, was the company able to sell the hundreds of millions of euros worth of inventory that was sitting in its physical outlets, through online channels?

Historically, the company conducted the majority of its business through its international store network. But in a case of good advance planning, it had made the decision to invest in a platform that provided it with an integrated, real-time view of its stock across all its channels. This moment was an acid test to see if it had managed to overcome what were traditionally siloed parts of the business.

The company's bet paid off. Online sales soared 70% in the following nine months, and the revenue unlocked by this integrated inventory stock system was valued at €1.2bn. This is just one example that illustrates how harnessing the power of data across key business processes has been central to the success or failure of businesses during the biggest test of their resilience in over a generation.

## The Power of Insight

Data gave this company the trusted insight they needed to adapt at speed, and this is a common feature of those organizations that performed best at the height of the storm. International coffee shop chain Starbucks provided its field leaders with access to a dashboard that gave them the comprehensive information they needed on the spread of the virus in their region and insight on how that may shape decisions at the individual store level. This meant that the company did not have to shutter all its outlets in one blanket move, but could let local stores adapt within local government requirements, and invest in click-and-collect or home delivery where it made sense.

The disruption also triggered a new wave of digital collaboration, where businesses shared data and insight beyond the walls of their own organization to rapidly create new products or services. This was most evident in the life sciences sector as manufacturers and academia worked together on vaccine and drug development and delivered within dramatically shortened timeframes. Pfizer and Moderna both added more than \$100bn to their combined market capitalizations as a result of their successful involvement in collaborative vaccine development.







The ability to adapt and move at speed has become an organization's greatest asset, and this is reflected in the stock market valuations of the world's largest companies. Of the ten global businesses with the highest valuation as of March 2021, eight have data-driven business models (Apple, Microsoft, Amazon, Alphabet, Tesla, Facebook, Tencent and Alibaba), in that they treat data as a core asset and use it to drive revenue, profitability and competitive advantage. If we look at a similar ranking from 10 years earlier, just two companies (Apple and Microsoft) would fit that description, highlighting that the use of data is increasingly critical to business value.

#### **The Cost of Failure**

But the majority of organizations still fall well short of being data-centric, and many had their shortcomings exposed during the recent wave of disruption.

Insight into supply chain performance proved to be a major area of weakness, with 40% of multinational corporations admitting they were unable to cope with the crisis created by the pandemic<sup>1</sup>. More than 80% said they are now more aware of supply chain risks, such as raw material shortages or transport blockages than they were before the pandemic struck.

In the retail sector, many companies lacked the insight into how quickly customer behavior was changing to adapt their product ranges. Some utility companies and banks received damaging coverage as they failed to change their revenue collection processes to allow more leeway for customers that had informed them that they needed special dispensation due to the impact of the pandemic. And healthcare and government agencies across the region continue to struggle to prioritize individuals for vaccinations or employment benefits because the data needed is stored within different departments or silos.

<sup>1</sup><https://www.orange-business.com/en/press/reimagined-supply-chains-emerge-global-crisis-enterprises-focus-data-insights-mitigate-risk>



### 3. The Urgent Case for a New Approach

Many of today's data strategies are clearly falling short. The business questions that need to be answered from data do not match the data strategy models and the ever expanding data volumes, and proliferation of new technology means that these models need regular reviews to ensure they are fit for purpose.

European analytics research specialist BARC identified a number of breaking points in a recent study, based on the input of over 400 business and technology executives<sup>2</sup>. While 90% of large and mid-sized organizations claim that information has a high priority in enterprise decision making, just 25% state that decisions are predominantly or purely made based on data. The majority admit that there is room for improvement, with 87% believing that they would significantly improve their corporate performance if they optimized their data handling.

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#### Silos, Trust and Quality

Building a resilient data strategy that is able to harness the full power of data both within the organization and with external partners and sources, and deliver the trusted insight that the business needs to move at pace, is not an easy undertaking.

A recent PAC survey of more than 1,000 senior business and IT executives<sup>3</sup> found that 77% state that understanding the value of data and developing a data strategy is one of the biggest challenges they face as part of their wider digital transformation ambitions.

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<sup>2</sup><http://barc-research.com/leverage-your-data-infographic/>

<sup>3</sup><https://www.sitsi.com/trend-study-data-paves-way-innovation>

There are several aspects of current strategies that are not working as they should. Firstly, there is often a disconnect between the business leaders making the decisions and the data team responsible for analysis and insight generation. Indeed, BARC found that just under a third of data specialists said they experienced a lack of active support and strategic orientation from the business. One important issue that underpins this disconnect is a lack of transparency into the value of data. Two thirds of organizations cite this as an issue, and if data is not being seen as directly helping to drive revenue growth or profitability, or enhancing the customer or employee experience, it is not being measured or communicated in the right way.

Two other common challenges are a lack of trust in the quality and reliability of the data, and the currency of the data on which decision-making is based. On the quality issue, the cost of poor data has been estimated to cost the economy trillions of euros each year by causing poor customer service, a loss of competitiveness and regulatory penalties. More than half of organizations surveyed by BARC stated that the quality of their data was inadequate. But at the same time, as they are pushing for better quality data, business leaders also have a growing expectation that it will be delivered in real-time. Historical data can help to inform decisions on some market trends or aspects of operational performance. But as most organizations have experienced in recent times, there are occasions when the rear view mirror cannot necessarily prepare you for what is required in the here-and-now.

Another significant challenge is the siloed nature of many data initiatives. This is not just an issue in terms of a lack of consistency and duplication in the data, and the negative impact on cost and effort across the group, but crucially it can have a negative impact on the end customer experience. Take the example of one major European non-life insurance carrier that had invested heavily in a new consumer-facing website but found that customer journeys were severely disrupted as the data underpinning online and offline journeys relied on information stored in different silos. If a customer called an agent to discuss a product they had compared on a market site, they were unable to continue their journey online as the systems supporting the agent's insight were not integrated with the customer portal.

A further problem here is that if businesses are not able to implement a data strategy that can overcome internal silos, how are they going to be able to take advantage of data-centric collaboration with their partner ecosystem?



According to recent research from PAC, 82% of businesses want to establish new value networks and digital ecosystems as part of their current strategy<sup>4</sup>. If they do not have the ability to engage in this way and integrate data across ecosystems, the size of the missed opportunity could be huge. The World Economic Forum has estimated that 70% of new value created in the global economy during the next decade will be based on digitally enabled platform business models<sup>5</sup>.

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### The Clock is Ticking

These challenges need to be overcome and they need to be done so at pace.

Investment in data analytics technology will surge by more than 20% over the next five years, with PAC's latest market view finding that spending from European companies will break the €10bn mark for the first time in 2021. But as the level of investment increases, so will the pressure to deliver.

Data strategies also have a fresh challenge looming on the horizon in the shape of the sustainability agenda. An ever-expanding list of European businesses, from BP to Renault to Unilever have made commitments to become zero carbon organizations, as they respond to growing pressure from investors, employees and customers. Leadership will have to demonstrate clear evidence of progress to all these groups, and in many sectors to industry regulators as well. The only way to achieve this will be to provide improved insight into sustainability metrics both across the organization and into the wider supply chain and partner ecosystem.

In the next section, we look at some of important building blocks that organizations should leverage as they re-shape their data strategy to deliver the outcomes that will help the business to thrive.

<sup>4</sup><https://www.sitsi.com/cxo-survey-investment-priorities-insight-analysis-usa>

<sup>5</sup><https://www.weforum.org/platforms/shaping-the-future-of-digital-economy-and-new-value-creation>



## 4. Reconnecting the Data Strategy to the Business

What steps can be taken to ensure that customers can trust that they are making decisions based on the right data and that it really means what it claims? And how can they do this at a pace that the business demands in what will continue to be volatile market conditions?

This challenge of speed of insight has become particularly prominent, as business leaders have been asked to make critical calls on office closures, supply chains and customer service that can have a major impact on worker safety as well as financial performance.

### Getting Closer to the Process

One of the ways this can be tackled is by embedding data and intelligent analytics within key business processes such as marketing engines, supply chain systems or ERP applications to drive a better link between the data and decision making. A business process without embedded analytics has been likened to a car without a dashboard, leaving the driver with no insight into how much petrol is left in the tank or how fast they are driving. With traditional business intelligence (BI) systems, organizations have to leave their core system and switch to another to understand their performance. But embedded analytics removes this need and provides business users more accurate and timely insight.

One organization that took this approach was a major European professional services group, which fused artificial intelligence and analytics into its core business process using cloud-native automation engines. Accelerated time-to-insight has been one major benefit, with decision-makers not having to wait for a BI specialist to review the data to provide them with a report into process performance. And because embedded analytics put intelligence in the applications that the workforce uses on a daily basis, more individuals can make use of the insight. By incorporating AI, this insight is increasingly able to offer predictive views on process performance, allowing decision-makers to take pre-emptive action to address likely operational challenges.

While many organizations talk about data being the lifeblood of their business, there is a lack of understanding in the value that data can deliver. One of the best ways to overcome this is by ensuring data analytics projects start at the level of the business outcome – what are we trying to achieve from getting the right answers through data insight?

One European government agency, with responsibility for delivering benefits and income support, has deployed AI and data analytics with the business case of improving the citizen experience. The agency has deployed speech-to-text analytics to transcribe citizens' phone calls, to help it better understand the reasons that individuals are contacting them in order to inform their future channel strategy, and gain a better view on satisfaction levels. Again, the analytics are embedded within the core process, so that insight into trends can be provided within a matter of minutes rather than weeks or months. The success of the initiative will be measured in how it supports the agency's wider customer service improvement strategy, including its ability to engage with citizens who speak a language that is not known to the majority of its human agents.

### Strength in Governance

One of the key elements of any truly data-centric business is a robust data governance model. Many organizations started their journey with one in place but have found its importance has diminished over time as the overall strategy fragments through silo-led initiatives. In some cases, the governance model has evolved into a set of guidelines, or businesses have attempted to use technology platforms such as data lakes to serve as a central point of control. However, **a governance model is critical in driving greater trust from decision-makers in the data, as well as a more efficient way of managing data across the business.** So, what elements make up a successful approach?



One of the most important factors is to drive involvement from the most important stakeholders across the business. While some organizations have historically run their data governance model from within their IT function, **it is vital to involve the business decision-makers, from the board to key line-of-business leaders,** to play a role in defining the outcomes that the strategy should address, the areas of data that should take priority based on the value they can deliver, and to understand the importance of data quality.

Lasting engagement can be driven by **assigning roles such as governance leaders or champions to these business stakeholders, organized by the specific data domains that are relevant to their position in the business, or more importantly, to a key element of the company strategy.** For example, one major European insurance group assigned data leadership roles to different product owners that were leading different aspects of its digital transformation where data played a vital role. This included the rollout of a new claims processing engine and the replacement of a CRM system. Also, the individuals became part of a central data council to help plan the way that data would be used and managed as part of the initiatives, with a view to drive improved efficiency and effectiveness.

It is important that central governance models do not seek to apply the same controls or measures to all parts of the organization. Again, it is vital to map out and understand the different data sets within the organization and the contexts in which they can be best utilized. This will be particularly important in ensuring that businesses are able to take advantage of collaboration with external partners and ecosystems, by enabling some teams to work in an exploratory way, while ensuring tighter controls where necessary to ensure regulatory compliance.

It is not straightforward to measure the value of an effective approach to governance, but it is important to involve the business leaders by helping them to understand the cost and risk of not having one in place. One way to do this is for businesses to look at measuring the amount of effort that is wasted on cleaning up poor quality data, and looking at how much time data science teams have to invest in this area rather than adding value to the business. A more effective approach might be to look back at recent experience and ask the question, what if we had had the insight to make the right calls a little sooner? What if we had been able to start collaborating with that platform provider before our competitor did? What was the cost to the business of us not responding quickly enough?

In the final section of this report, we outline some practical steps that businesses can take in order to ensure a data strategy helps them make the best decisions in the future.

# 5. Conclusions and Recommendations

Few organizations have the time or resources to spend on a major transformation program to reinvent their data strategy from scratch. Instead, here are some steps that businesses can take to get more out of their existing assets and unlock new value in the form of short-term wins and longer-term gains.

**Start with the business outcomes:** Data strategies need to start at the “output,” and define the specific questions that the data needs to answer, before looking at which sources are reliable enough to use. They also need to ensure compliance with regulatory demands such as GDPR. These may seem obvious, but far too often, that data strategy has focused on keeping pace with the latest available technology or building central repositories to enable the organization to get its arms around as much data as possible.

Consulting firm McKinsey has claimed that as little as 1% of business data is ever analyzed<sup>6</sup>, but the goal should not be to increase this to 100%. Instead, it should be to ensure that the right data sets are being analyzed to deliver the outcomes that the business really needs.

How does this happen? It needs to start at the top of the organization, with leadership setting out a vision as to how data from both inside and outside the organizations will add value and support its key strategic goals. If data is truly to be seen as an asset, it needs to be measured as such, which means putting in place key performance indicators that draw a direct link between the data strategy and its impact on growth, customer and employee experience, cost reduction and risk mitigation.

**Make your governance model relevant again:** Data governance needs to change its position in the business from being perceived as a checklist or set of recommendations, to a force that ensures that data is aligned to the goals of the business. Most successful models have at their core a central data management office led by a chief data officer, but the key to joining the dots to delivering on business outcomes is to involve the right stakeholders as part of a data council. The company should list its five or ten most important strategic goals (for example, increase customer upselling by 20% or deliver on decarbonization targets) and ensure that individuals leading these programs are involved in ensuring that data is used in a way that helps them deliver the right outcomes.

**Strike a balance between speed and control:** The governance model needs to strike a balance between driving trust and security with the flexibility to enable some groups within the business – particularly those engaged in co-creation ecosystems, to move at the right speed. One good example here is the UK National Health Service, which we discussed in the introduction. During the initial months of the pandemic, it created the NHS COVID-19 Data Store, which was set up as a public cloud-driven platform to analyze huge amounts of pandemic data in real-time, to enable a faster, more coordinated response, while reducing the amount of red tape around information governance. The initiative will be wound down as the crisis subsides, but it would not have happened had the NHS insisted on implementing its usual procedures on data usage.

**Embed analytics to drive trust at speed:** Improving trust in data is front and center of any successful data strategy. This can be achieved through implementing a framework of checks and balances, but is there another way of driving this without sacrificing speed? Embedding analytics in the business process can deliver significantly faster times to insight than current approaches, and by leveraging AI can also help business take a more predictive approach to managing critical processes. Organizations should start their journey with a tactical project to demonstrate the value to the business.

<sup>6</sup><https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/straight-talk-about-big-data>





**Start tactically to demonstrate value:** Choose a process that is critical to the company's strategy – for example, measuring the productivity and satisfaction of employees in a remote working environment. Use cloud-based tools to take a scalable approach, and work closely with the enterprise IT function to work through any potential implications on the performance of the core system. Involve employees in the process so that the changes and the goals behind the initiative are understood, and they can help ensure that the analytics are embedded in the right areas of the process to guarantee that the most valuable insight is delivered.

**Learn from the market:** While the data strategies of market leaders such as Amazon or Uber may not be relevant or applicable to your business, there are many other examples of best practice on which to base your new approach. Work with a partner that can help you identify the aspects of successful data strategy that you can bake in to your own. And lean on external experts to ensure that you are able to keep pace with the ever-expanding ecosystem of analytics and AI solutions, so you can harness those that are most suited to your specific business needs.

**Begin a cultural transformation:** Becoming a data-driven business ultimately requires a change in mindset, and recent experience will serve as a trigger for many organizations to change the way that data is perceived and used within the organization. This starts at the very top, with the boardroom implementing an approach of decisions based on data-driven insight, rather than gut instinct. Leadership also needs to set the standard for the rest of the business in driving the importance of using data within an ethical framework that meets the values of the business as well as regulatory demands. The data strategy should not be limited to the central data function or viewed as a technology issue but should be something that everyone in the workforce views as a highly valuable resource. This change can be led through more widespread training programs to improve data literacy, greater involvement by line of business and strategic program leaders in ensuring that data is used in a way that supports their requirements but also supports the central governance model, and communication on the importance of data in underpinning business achievements. Start that transformation today.

# Make your Data Driven Journey with Fujitsu and Intellerts!

Fujitsu Netherlands and Intellerts have joint forces to combine the broad IT expertise of Fujitsu with the specialized Data Driven services of Intellerts. Together we help organizations gain insight into the possibilities of data-driven work and the road towards it, no matter where you are on your Data Driven journey.

## Do you want to discover what Data Driven working means for your organization?

Our **Data Driven Workshop** is your perfect start of the journey.

Organizations who start with the data driven journey need to determine their relative data maturity. What is needed to make the first or the next step? What do you need in IT resources and skills of human resources to drive AI and Data Driven change? What use cases can we define to test your hypothesis?

## Do you want to see proof of your conceptual idea with a working prototype?

Our Data Science professionals make ideas a reality in our **MVP** (Minimal Viable Product) Services.

From idea to realization as quickly as possible with minimum risks and costs and maximum results. Results are a working product, a detailed design of the solution, insight in the business case, insight in technical and organizational impact and experiencing innovation in action.

## Do you want to live after a successful MVP launch?

We'll help you with our **Pilot Implementation Services**.

You need a scalable and controlled approach with all technical and business aspects covered for a successful Pilot. By embedding the algorithms in a stable infrastructure and using a flexible data lab environment for innovation, we ensure that data-driven work becomes a reliable foundation for your organization.

## Do you need organizational adoption of new tools and a data driven mindset?

Our Data **Driven Adoption Services** support this challenge

Through our adoption services, we guide employees and departments in using the new possibilities of the solution and creating a data-driven mindset so that the investment has an optimal return. Results are a data-driven work culture, greater employee involvement and higher productivity of the user organization.



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