

# Unlocking Value from Data-Driven Decision Making

CapTech®



## Companies want to use data to drive decision making and value creation. But data maturity and cross-organizational alignment is often lacking.

Instead of focusing on deep data analysis and value-added applications, many organizations are playing a shell game: they are repeatedly migrating their data from point A to point B, investing in shiny new tools, or reshuffling their organizational structures. While efforts like these can be part of a company's journey to maximize data's worth, without underlying data integrity and alignment on business purpose, it's impossible to gain any real return on data investments.

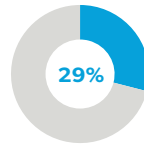
Achieving that ROI was the theme of a recent CapTech study, conducted to gain a better understanding of how executives are using data to close the gap between insights and action. Though most study participants claim they are actively using data to make decisions, an overarching theme became clear: they're struggling to use their current data to its fullest potential—and there are a variety of reasons why.

### A GROWING SENSE OF DISSATISFACTION

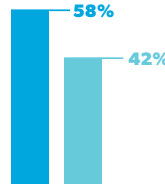
Our research demonstrates that the majority of executives strive to use data to drive decision-making—67% of companies claim they're gaining at least some actionable insights. But while data's potential is enticing, many leaders are not satisfied with their data investment; in fact, 42% of participants said they aren't using their data and reporting tools to their full potential.

Survey respondents showed a strong understanding of data's potential, recognizing its inherent value in creating competitive differentiation. More specifically, leaders planned to prioritize data for revenue growth and operational efficiencies in the near-term future. They also recognized that better customer segmentation would grant them deeper insights to enhance the customer experience.

So what, exactly, is holding them back? According to our study, a variety of obstacles stand in their way:



Nearly one third of participants claimed that data availability, quality, and organizational structures hinder progress.



Many participants noted a lack of timeliness in data (**58%**) and siloed data (**42%**) as blockers to increasing analytic effectiveness.



63%

The majority of participants cited data privacy regulations have negatively affected their advanced analytics and reporting.

Those first points speak to insufficient data architecture and governance, while the last one shows how shifting legal winds can impact a company's best-laid plans. The data privacy regulations dovetail seamlessly with business leaders' frustrations around their failures to improve the customer experience—it's yet another roadblock, along with a lack of true customer segmentation, that cripples their efforts. Even though nearly all (**88%**) of participants said data influences their company's decision-making process with customer segmentation, **almost a quarter (21%)** noted their company is not using advanced analytics to understand and shape customer journeys.

When participants were asked what they could gain with data that they're lacking now, a lack of customer data confidence was evident in their responses:

*"Better customer segmentation and behavior analysis at a segment level."*

*"A much more reasonable knowledge of our client base."*

*"Better mapping of the customer journey and customer life-cycles."*

*"Reaching new markets and prompting action on the part of potential consumers."*

These company leaders know that deeper customer insights are buried, like needles in myriad haystacks, within the data they've captured. But many don't have the data maturity to uncover those customer insights with a true sense of accuracy—which can lead to a frustrating sense of inaction.

## STEPS TO TAKE TOWARD DATA MATURITY

To realize data's full potential to drive decision-making, a company first has to undergo the growing pains that come with reaching data maturity. It's a journey that can take years. Understandably, leaders aren't that patient, especially given their data investment, as noted in our survey. But without doing necessary groundwork, the shell game we spoke of at the outset can easily become an unsatisfying cycle.

According to [research by Experian](#), only 11% of companies have mature data skills and capabilities. This helps explain the dissatisfaction we heard from our own study participants—and reinforces the need to be judicious.

The classic baseball analogy comes to mind: companies want to hit data home runs when they should initially be striving for singles and doubles. Less mature organizations may simply need to get on base, which translates to tackling data efficiency first; more mature organizations can swing for the fences, leveraging advanced analytics and applications like machine learning and predictive modeling.

Every company can reach data maturity and ultimately fulfill potential by taking concrete steps.

### STEPS TOWARD DATA MATURITY



**FOCUS ON THE BUSINESS PROBLEMS:** When you shift your data approach to solving your organization's business problems, it clarifies the path forward, making it easier to identify opportunities. As noted previously, it's easy to get caught up in shifting to cutting-edge data technologies and tools—but resist the temptation to fall in love with what's shiny and new. Instead, concentrate on how data can help you overcome critical business barriers.



**STRIVE FOR SMALL SUCCESSES FIRST:** When you focus on challenges first, low-hanging fruit often becomes apparent, allowing you to chain together mini-triumphs that add up quickly to big wins over time. Start with a pilot project, and once this bears fruit, leverage the methodologies to address other business issues. With data, this is a great way to build sustainable momentum and add significant value.



**EMPLOY ITERATIVE APPROACHES:** Once you start having small successes, you'll be able to graduate to developing broader priorities; however, you need to use Agile approaches when you embark on these new data initiatives. It's the only way to test and learn.



**EMPOWER THE RIGHT LEADERS AND BRING IN MULTIPLE STAKEHOLDERS:** Each company has unique structures and different needs; some companies empower the Chief Information Officer to lead the data charge, while others appoint a Chief Data Officer (according to Forrester, 63% of organizations have appointed a CDO). No matter the title, your data leader(s) needs a seat at the table—and fellow stakeholders should be prepared to provide support and feedback along the way.



**HIRE THE RIGHT PEOPLE:** Creating a healthy stream of actionable insights certainly takes talented people. However, those individuals need to be a team of complementary players. For example, data engineers shouldn't be stretched to do the work of data scientists or architects, too. By hiring or retaining specialists in the right roles, they can focus on what they do best—and increase your ROI on your data investment.



**TEAR DOWN THE SILOS:** Whether you want to follow the trend of data giants and create a Center of Excellence or simply create a unified data repository, your ultimate objective should remain the same: make data and tooling available to everyone in your organization. And, ultimately, this means empowering them with the skills they need to glean continuous, meaningful insights.

## THE PATH STARTS WITH A DATA ASSESSMENT

It can be difficult to find the right starting point, but for many companies, a data assessment provides a valuable compass. This approach helps companies determine their current baseline and the appropriate future state for each dimension of their data strategy.

A key lesson learned from our clients is to rigorously prioritize. It is not necessary or cost efficient for a company to be fully realized in every aspect of their data strategy; rather, organizations should be selective in identifying where differentiation will create the most value.

With the blueprint from a data assessment in place, companies can begin closing gaps and building toward their desired state one piece at a time. Mastery of the most important components in sequence will result in better outcomes more quickly than pursuing multiple pieces at once.

All journeys will look different and happen on a unique timeline, but with a thoughtful plan and deliberate prioritization, every company can unlock the potential for data to drive better decisions for their business.

*The methodology for our study included SurveyMonkey; recruiting via CINT, Dynata, and CapTech; and a qualitative approach. Our team spoke with 27 chief executives and senior leaders across data, information, and technology from organizations with 5000+ employees.*





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