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7 Elements of a Winning Enterprise Data Strategy

Critical points derived from the expert webinar
'Top Elements of a Winning Data Strategy'
with Cindy Maike, VP of Business and Product
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Introduction

It's no secret that data is one of the most valuable assets of any organization in the modern era. We've reached an inflection point in the data-driven age where business leaders seem to agree universally that the availability of data – and the ability to generate insights from that data – is critical to empowering an organization's people to make better, faster decisions that drive business priorities forward.

One industry survey found that 87% of business executives said their organizations would be more successful if frontline workers are empowered to make quick decisions; 86% of those same executives said those employees needed better technology-enabled insights to make those decisions[1].

Tools and technology indeed play a vital role in better insights and decisions, but they're actually just one significant piece of a broader requirement for success: Organizations need a robust, thoughtful data strategy to unlock the value of their information and ensure its accessible and actionable for people throughout the business.

While many organizations recognize the importance of data, we've not quite hit the same inflection point when it comes to data *strategy*.

Connecting Data Strategy to Data Value

When Cloudera recently surveyed a group of business and technology leaders, roughly half (51%) of them said they had an enterprise data strategy

and that it had been in place for more than one year; 34% said their strategy had been in place for less than a year; and 14% did not have an enterprise data strategy at all, but were planning to implement one in the future.

It's clear that while organizations are developing and implementing enterprise data strategies, it's still relatively early days. Anecdotally, too, executives are recognizing that they've got some components of a successful data strategy in place, there's still work to do to ensure their strategy is aligned with and optimized to empower people and achieve key business goals.

Put another way: There's a deep connection between data *strategy* and data *value*. To ensure your organization is maximizing the latter, leaders need to properly invest in the former. While the original webinar from which this ebook is derived included five major elements, we've teased out an additional two and examine 7 elements of a winning data strategy that empowers people with insights and generates significant business value.
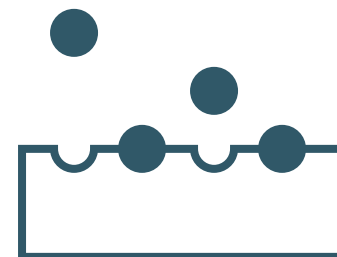
Data Strategy By The Numbers

49%
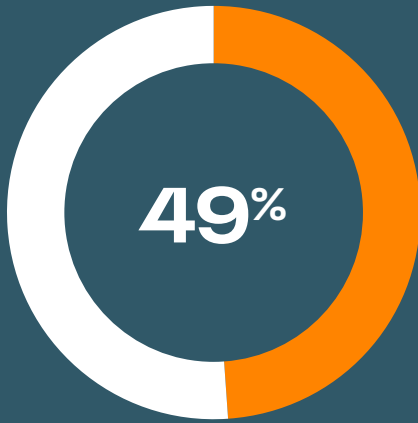
of business executives report their enterprise data strategy is either still in development or has been in place for less than 12 months[2]

43%
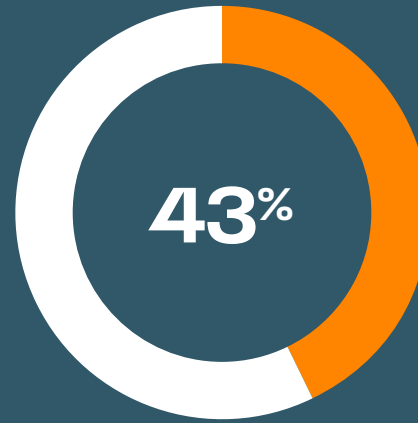
of captured data goes largely unused[3]

44%
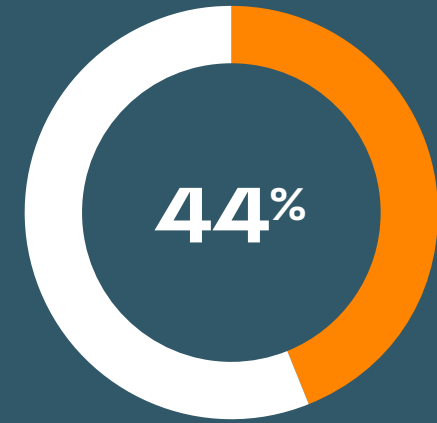
of data goes uncaptured[4]

$2.01B in additional total revenue if the median Fortune 1000 firm increased the usability of its data by just 10%, equivalent to nearly $56,000 more annual revenue per employee[5]

Element 1: Your Business, Your Strategy: Customize Data Goals and Roadmap

While there may be near universal agreement about the importance of data, there is no such thing as a universal data strategy.

The first building block of a successful data strategy is to tailor to your specific business goals, business model, and industry. Vaguely defined or otherwise abstract strategies are virtually certain to generate less value than clear, specific plans customized for your organization and sector. A data strategy for a B2C business will likely look different than a B2B business—which in turn will differ from that of a government agency. The same applies across a wide range of variables like company size, geographic footprint, and so forth.

Avoid one-size-fits-all pitches and clearly define the how-when-what–where-and-why of your data initiative. This part of your strategy should respond to questions such as:

- How will we use data to improve decisions, processes, employee and customer experience, etc?

- What data will we need to accomplish these goals? Where does it come from? How do we collect it?

- What do we need to do to make this data accessible and usable? How will this data be translated into actionable insights?

- Why are we doing this? What is the business value? If we're a government agency, for example, how will it help our constituents? If we're a B2C company, how will this enhance customer experience?)

Element 2: Not Just Any Data – The Right Data: Identify Sources Aligned With Your Goals

One of the best ways to begin this process of customization is to become very clear and granular about identifying and using the right data sources, and this particular element deserves extra attention.

Organizations that already have data strategies in place are essentially all pursuing their own answers to the same essential question: How do we use data to make better business decisions?

Developing cogent answers to that question (in the form of an enterprise data strategy) requires an understanding that not all data is created equal. One type of data or data source might be mission-critical to a B2B manufacturing business

but have minimal value or impact in the public sector, for example.

Successful enterprise data strategies are very clear about the types of data that are most valuable, where it comes from, and how it can best drive business goals. Broadly speaking, this includes buckets like: Product data, customer data, machine data (such as IoT sensors and other connected devices), public data, social data, operational data, and more.

Top 3 Data Sources Currently In Use

In a recent survey conducted by Cloudera, respondents identified the top sources of information they're currently leveraging today:

61%
use customer and prospect data (such as CRM, marketing database, etc.)

55%
use data from IoT sources

53%
use customer sentiment data (such as social media, call center data, etc.)

Element 3: A Data-Driven Business Is a Resilient Business: Connect Data Strategy to Business Continuity and Adaptability

We all understand better than ever the importance of flexibility and resiliency. And enterprise and government leaders now seem to understand: 91% say data strategy is a prerequisite for organizational resiliency.

Resiliency is an organization's ability to pivot and adapt to changing conditions – large, small, and everything in between – without unnecessary disruption to its operations or value. These conditions are myriad: The COVID pandemic is a global example, but it's not the only one. Changes in interest rates or monetary policy, rising inflation, changes in consumer and business sentiment, longterm shifts in how and where people work and their relationships with employers, disruption in supply chains, the list goes on.

Organizations need to plan for how data-driven insights will help them make fast, informed decisions about how best to pivot and adapt in such scenarios. But they also need to apply this thinking proactively to their overall business strategy:

- How can we use data to best focus on finite resources?

- How does our data strategy inform decisions to innovate a business model or enter a new market?

- How do we interpret and react positively to what our data analytics tells us?
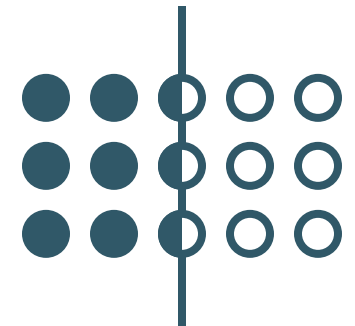
Element 4: Sum of the Parts: Understand and Engage with the Complete Data Lifecycle

In Cloudera's survey of business and data leaders, just 12% reported that they're participating in or engaged with each of the major components of the data lifecycle:

Data Collection   **Security and Governance**   **Data Enrichment**   **Predictive Analysis**   **Serving**   **Reporting**

Anecdotal evidence tells a similar story: Even in organizations that are farther along with their data strategy, there are gaps in understanding and engagement with critical phases of the data lifecycle.

While you don't necessarily have to participate in each phase equally or simultaneously, your strategy should recognize and plan for them. Data governance is a great example – while an organization that hasn't reached data maturity may not feel they do not need a robus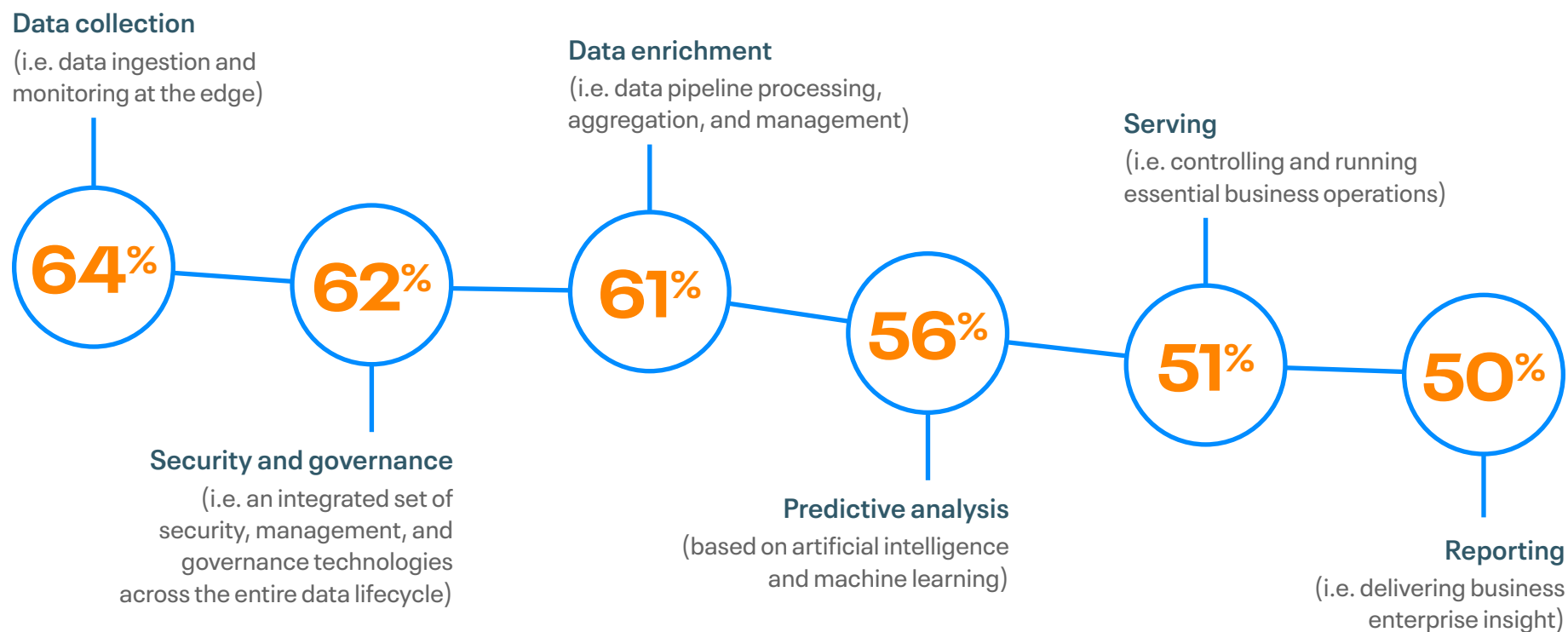t governance plan, that's too short-sighted. Governance is crucial to an organization's ability to understand and implement its compliance requirements; to understand data recency and relevancy – and its converse, data decay; to root out and eliminate bias, especially as automation increases; and other benefits. A lack of governance, on the other hand, will imperil data initiatives of all kinds.

Data Lifecycle: What it Currently Involves (or Not)

Successful enterprise data strategies recognize and plan for all phases of the data lifecycle. Organizations must especially prioritize data privacy, security, governance, and compliance to ensure success. Put another way: the 62% figure below needs to move much closer to 100%.

Engagement levels with individual components in the data lifecycle:

Data collection
(i.e. data ingestion and monitoring at the edge)

64%

Security and governance
(i.e. an integrated set of security, management, and governance technologies across the entire data lifecycle)

62%

Data enrichment
(i.e. data pipeline processing, aggregation, and management)

61%

Predictive analysis
(based on artificial intelligence and machine learning)

56%

Serving
(i.e. controlling and running essential business operations)

51%

Reporting
(i.e. delivering business enterprise insight)

50%

Element 5: The Distributed Future of Data and Analytics: Architect for Flexibility

An enterprise data strategy must also account for today's IT realities. More and more businesses are shifting to more distributed heterogeneous computing environments – namely, hybrid cloud and/or multi-cloud architectures. This is a sea change from the days when most organizations operated on a largely (or entirely) centralized on-premises environment.

From a data strategy standpoint, this requires planning and architecting for flexibility – not just today, but in 12, 18, 24 months and beyond. Part of the promise of hybrid cloud architectures is increased flexibility and control over what applications and data run where, and the flexibility to shift that decision based on changing variables, whether business needs, compliance requirements, performance, costs, or other factors.

This also requires a "build once, run anywhere" mindset and development approach. You need the flexibility to run your data analytics anywhere without having to rewrite or re-tool everything. Infrastructure and application teams are already building for this kind of flexibility – the percentage of organizations that will be hybrid and multi-cloud is set to triple (from 12% to 36%) in the next 18 months. Enterprise data teams must plan accordingly.

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Element 6: The Human Element: Build Culture and Empower People

Enterprise data strategies that focus solely on technology are missing a huge success factor: People. Data doesn't become automatically valuable, even with the best technologies and tools in place. In fact, there's a reasonable argument to be made that people are the most important part of any data strategy.

It needs to be accessible and usable by all types of roles and people in the organization, not just the data scientists. It requires the input and engagement of a diverse set of perspectives and backgrounds. And all of this requires a people-first, data-centric culture that empowers people with insights and puts them in the best position to succeed.

This requires an honest examination of your organizational processes and culture.

- How do we make our decisions?
- How do we decide where to go next?
- Are we using data to maximum effect today – if not, How can we use it more effectively?
- How do we want or need to change the way that we behave as an organization?

Honest answers to these types of questions almost invariably requires a cultural transformation focused on people – you can have the best technology under the hood, but if your people aren't using the data, then it's not going to be very valuable.

It's about evolving the culture of your organization to use data in a balanced way—not to replace human intelligence or intuition, but to give it superpowers.
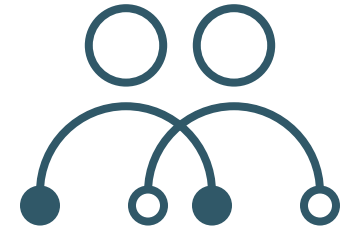
Element 7: Continuous Improvement and Optimization: Plan for More Planning

A winning enterprise data strategy is a living enterprise data strategy. While it includes core principles and elements like those we've identified here, sustainable success depends on a commitment to regularly reviewing and optimizing your strategy over time.

Your strategy and engagement with different phases of the data lifecycle that you use are going to change according to the maturity of your organization, for instance.

You should be continuously assessing your data strategy and asking questions like: What can we do to improve? What kind of data are we not getting that we could really benefit from? Where can we bring in data that's going to add value, and help us, you know, be more productive or more customer centric or understand our business better?

There is no finish line – your strategy should embrace that with a commitment to continuous improvement and optimization.

Twin Signposts on the Road to Success: Prioritize People and Impact

All of these elements of a data strategy and more ultimately tie back to two things: Empowering people and generating impact.

What are the business goals? What questions are you asking of the data? How can you get the best answers? Am I using data to take action? (Or am I just collecting it and letting it sit there?) Am I using data to actually have an impact on my performance or results?

Again, tackling such important and thoughtful questions relies as much on cultural transformation as it does on technical implementation. The best enterprise data strategies reflect that – and commit to ongoing evolution.

Learn More

To hear Cloudera data experts Cindy Maike, VP of Business and Product Solutions, and Carolyn Duby, Field CTO discuss the "Top Elements of a Winning Data Strategy," click here.

Ready to take your enterprise data strategy to the next level? Learn more at cloudera.com.

About Cloudera

At Cloudera, we believe data can make what is impossible today, possible tomorrow. Cloudera taught the world the value of data, creating an industry and ecosystem powered by the relentless innovation of the open-source community. We empower our customers, leaders in their industries, to transform complex data into clear and actionable insights. Through our hybrid data platform, organizations are able to build their data-driven future by getting data, no matter where it resides, into the hands of those that need it.

Learn more at cloudera.com | US: +1 888 789 1488 | Outside the US: +1 650 362 0488

Sources

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