

Overcoming Data Culture Problems in Manufacturing

Five mindset shifts to fuel your digital transformation efforts



Despite the potential benefits of digital transformation and Industry 4.0, many manufacturers have failed to realize the full value of their investments. According to research from BCG, 70% of digital transformations do not achieve their goals.¹

Often, it's not the wrong technology that results in a failed implementation or lackluster results. Instead, disappointing ROI points to a larger issue: the organization has a data culture problem.

To succeed in going digital, building a strong data culture is a necessity. Implementing the latest technology or AI advancement won't make a difference if it's being fed poor-quality data. To avoid that from happening and future-proof your business, you need a strong data culture that supports data ownership and accountability.

Not sure if you have a data culture problem? Ask yourself if any of these statements are true.

1. Miscalculated supply shipments, production errors or failure to meet regulatory requirements are a few red flags that signal a data management issue.
2. Employees do not feel confident enough to identify data quality errors and correct the information, and there's no time or budget to train staff on data governance and policies.
3. Specific departments and/or manufacturing operations require their data to remain separate from the rest of the company.
4. Siloed technology and systems make it impossible to get a 360° view of the business, customers and products.
5. Employees spend a lot of time importing/exporting data to be merged for analytics or reporting.

Why building a data culture matters

Enterprise manufacturing companies with a strong data culture often see better results from their digital transformation efforts. Good quality data influences every aspect of the business, driving automation, analytics and informed decision making across the organization. This leads to significant organizational benefits such as:

- Improved productivity and efficiency
- Reduced time to market
- Optimized operations
- Streamlined supply chain

According to Bernard Marr, author of *Data Strategy: How to Profit from a World of Big Data, Analytics and the Internet of Things*, "A key requisite for success is the need for every layer of the company to buy into the strategy and understand the importance of putting data at the heart of decision making and business operations."²

How to shift your company's data mindset

#1

Lead by example

Getting your organization to change how it manages data can be challenging. In fact, nearly half (49%) of business leaders cite employees' resistance to change as the top digital transformation challenge they face.³

For digital transformation to be successful, you need the entire executive team championing the value of data. If employees do not fully understand the purpose of the data they use, collect and manipulate and the collective opportunity ahead, they can easily become indifferent to the importance of data quality and governance.

Training data advocates from various departments can help ease the change management process and ensure the adoption of new data practices and workflows. The focus on data quality should not be limited to priority projects but instead become imperative for all parts of the business.



#2

Understand it takes time

Manufacturers will need to fully embrace data if they are to remain competitive in today's increasingly digitized world. Changing your organization's mindset toward data requires a long-term data strategy, constant communication, and most of all, patience.

During this process, one of the biggest barriers you'll encounter is fear. Employees who fear change will resist adjustments to existing processes or the introduction of new data practices and workflows. This is a normal response to new ways of working and one that can be overcome with time.

Breaking down the data democratization process into smaller actions can help you to address employees' specific concerns around data management. Investing in training now will yield significant savings in time and money over the long term.



#3

Instill discipline and accountability

A key part of building a data culture is introducing new data quality and governance processes that everyone can understand. Educating employees on the importance of data in relation to their role and the positive impact it can have on the business will help reinforce accountability.

For instance, having accurate, complete and reliable data is essential for selling products online, either direct or through distributors. The ability to provide online customers with rich product information and content can have a significant impact on ecommerce sales – and your bottom line. Forecasts project that global retail ecommerce sales will reach approximately \$8.6 trillion by 2026.⁴

Additionally, with **data syndication**, your product data can be adjusted to the required format and shared where it's needed – whether that's your internal marketing department, distributor or a content service provider. Not only does this significantly improve productivity, but it also speeds time to market and delivers superior product experiences. Better data sharing with distributors or retailers may also build B2B relationships because it saves your partners time while increasing sales.



#4

Get support when needed

One common mistake companies make is taking a DIY approach to building a data culture. If you're not sure where to start, a data maturity assessment can provide you with insight into organizational weak spots around processes, systems, data ownership, etc., and help identify what initiatives to tackle first.

Getting a data management expert to provide objective feedback on your data culture and technology selection can be invaluable. Not only can they offer guidance on how to build a reliable data foundation that's easier to scale, but they can also help you avoid common implementation pitfalls.

#5

Establish an adaptable data foundation

Deciding the right technology needed for your data foundation will depend on the business outcomes you're striving to achieve: What are your business goals? How can data facilitate them? What supporting technology do you need?

A **master data management (MDM) system** can provide a single version of truth across the enterprise, so that it's easy to find the data you need, when you need it. By creating a standard across all data records, you remove redundant data (such as duplicate fields or entries) and make your data foundation more flexible, scalable and reliable. Automated workflow functionality further streamlines data validation processes, building trust in the results and enabling you to shift your focus to other business priorities.

With a strong data culture, you'll also have a more comprehensive understanding of how data moves throughout the business and supply chain. Sharing data with other departments can drive positive business outcomes through better resource optimization and part nesting, output, event management, health and safety awareness, and more.

Discover **10 opportunities that make MDM indispensable** for top-tier manufacturers today.



A springboard to innovation

At Stibo Systems, we help **enterprise manufacturers** integrate data from various systems and sources into a single, governed solution. Our Multidomain MDM is an enterprise-wide solution that brings connection and visibility across the entire manufacturing organization, enabling a complete, comprehensive 360° view of your data.

It manages, governs and connects data across multiple domains – such as products, customers, employees, suppliers, digital assets and more – on a single, integrated platform. This non-pervasive data foundation allows you to keep your technology systems (and their processes and permissions) as they are while providing you with new functionality:

- Centralized data governance
- Data sharing across the manufacturing enterprise
- Standardized data formats across systems
- Ability to acquire/map to various data sets
- Delivery of accurate data on digital/physical equipment
- Scalability and agility

Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data, empowering them to fuel innovation and growth and create an essential foundation for digital transformation.



Ready to take your data culture to the next level?

Download The Essential Guide to Manufacturing Data to learn how to improve operational efficiency and accelerate digital transformation.

Sources: 1 <https://www.bcg.com/publications/2020/increasing-odds-of-success-in-digital-transformation> 2 Marr, Bernard. Data Strategy: How to Profit from a World of Big Data, Analytics and the Internet of Things. (London: Kogan, 2022), 226 3 <https://finance.yahoo.com/news/workforce-resistance-changeemerges-top-052000128.html> 4 <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at stibosystems.com.