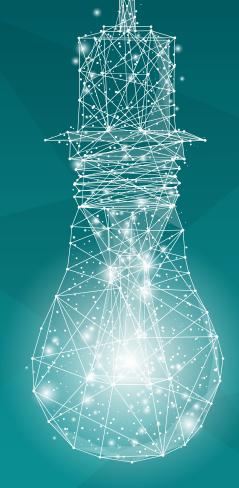# CHIEF DATA OFFICER EXCHANGE

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VIRTUAL THINK TANK
POST DISCUSSION REPORT

The Questions You Need To Ask Before
Building Your Customer Data Business Case

Tuesday 5th May 2020

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WELCOME

It has never been more important to measure the ROI from your data projects in order to support your business leaders in making fact-based decisions. Data transparency is key to this, but achieving it requires investment. Therefore, it is crucial to develop a robust business case that your board will sign off. But what questions should you ask your leaders that will steer your case towards ROI?

On Tuesday 5th May 2020, five senior leaders from across the data community came together for our Virtual Think Tank to explore the critical success factors in preparing an impactful customer data business case by engaging with the right business leaders and asking the right questions of them.
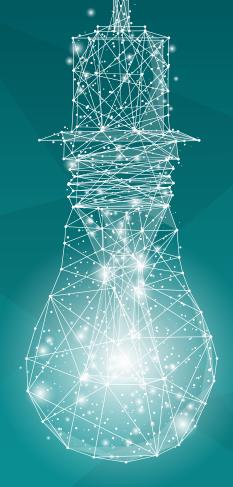
In this Post Discussion Report, we have summarised the key findings and themes that emerged during the session, which was moderated Darren Cooper. Darren has spent much of his career in software sales consulting, working in a variety of industries. During the last 20 years, he has specialised in information management, advising global blue chip companies on their data governance strategies. Today, Darren provides leadership in helping Stibo Systems grow its business by demonstrating how their unique technology can help accelerate their customers' digital transformation journeys.

With participants from a broad spectrum of industries including energy, retail, electronics and construction, this report details some of the critical challenges facing senior data practitioners today in securing investment, and explores how businesses can navigate these to forge ahead.

So let's dive in and take a look at some of the highlights of the session.

We hope you enjoy the report!

Hannah Corkerry
Event Director

Hannah Corkerry
Event Director, CDO Exchange

Darren Cooper
Director of Industry Strategy, Stibo Systems

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INTRODUCTION

We were delighted to welcome **Darren Cooper (Director of Industry Strategy, Stibo Systems)** as a moderator for the Virtual Think Tank, to set the scene for the session and weave together the common themes throughout. Darren kicked off the discussion by emphasising the importance of maintaining trusted sources of customer data. From a technical point of view this supports reducing the cost of integrating applications, and on the more analytical side, it empowers businesses to obtain richer insight from their analytics, enabling them to take data-driven decisions.

Good customer data must be transparent; it must be accurate, up to date, well defined, auditable and accessible to those who need it. It is also crucial to consider this through the customer lens. For the modern day customer, data must be ethical – there should be an understanding of where it came from, who has the right to use it, and how.

All of these elements converge to constitute customer data transparency. Darren also highlighted the importance of having an accountable data policy for the management of customer data. This will ensure that the business impact of this data is well defined, understood across the business, and able to be communicated.

Stibo Systems advocates the use of data transparency to underpin efforts in business transparency. The latter centres around driving better relationships with customers and regulators in order to foster enhanced business outcomes. However, the quandary often lies in making this link between data transparency and business transparency. It requires moving the conversation from the technical arena, to the strategic and business-oriented arena.

A crucial component in pursuit of demonstrating this connection is the involvement of business leaders. These individuals, whether the CEO, CDO, or executives from lines of business, will be the sponsors needed to guide this through. In order to gain their sponsorship, you must find the right communication, metrics and arguments that will engage them and enable the development of an impactful business case.

> "To make the link between data transparency and business transparency, you need to get your business leaders involved."

Darren Cooper
Director of Industry Strategy, Stibo Systems

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WHICH CUSTOMER-BASED BUSINESS METRICS ARE YOU USING TO MAKE DECISIONS?

It is universally recognised that customer information is a crucial component of the decision-making process. But the metrics that are used to make these key business decisions can vary organisation to organisation.

Robert Maranca (VP Data Excellence, Schneider Electric) emphasised that the metrics used must be directly associated with the business's current level of maturity. In order to obtain visibility into customer behaviours, sentiments and preferences, you must first understand what defines a customer. When you begin creating this kind of dimensionality within the company, it must be consistent. In turn, your metrics must evolve over time to match your level of maturity. Particularly within the context of a global company, it is quite often the case that alignment across geographies and business units can be a huge challenge.

Alignment cannot be achieved from a systemic point of view. Roberto used the analogy of tribes, rather than the common "silo" terminology. Too often, the language of these "tribes" is focused on the machine, which is quite often legacy technology. Consequently, the first step is in removing the view that data is inherently dictated by the dialect of the machine. Move towards developing a business lingo – what is a customer? Do we agree on this? Is our description comprehensive enough? By what dimensions do we measure a customer? Achieving insight through inconsistent concepts will be virtually impossible, so the data must be understood as a human first, before involving the machine.

On the point of defining the customer, **Monika Johnson (Master Data Manager – Customer, Harrods)** mentioned that her team has just begun work on a data dictionary due to that very risk of non-alignment and inconsistency. The insight team, for example, may define a customer as an individual who has made a purchase. But what about those who have signed up to e-newsletters and opted in to share their data? Definitions must be holistically agreed in order to align everything for effective customer reporting.

Equally, the association between the definition and how the information is actually used is also crucial. The objective is to ensure that all lines of business – from the shop floor, to online, to marketing, to IT – are speaking the same language.

Only in removing definitional ambiguity can organisations ensure that business problems can be effectively addressed by the data strategy.

In the case of Samsung, **Daryl D'Cruz (Head of Data Innovation – CMI, Samsung)** outlined the importance of alignment in business language, particularly working as part of a global team; this will support placing the customer at the heart of a product-driven world. For example, the customer (in Samsung's case, a retailer such as Dixons or Amazon) is distinct from the consumer. From the Marketing team, to the Consumer Marketing Insights team, to the Digital team – customer data plays an active role across numerous functions. As a result, in such a matrixed organisations a data culture is crucial to instilling consistency, continuity and commonality across the business.

Daryl highlighted that within Samsung, conversations around data occur with a number of key stakeholders – from their key accounts in order to nurture optimised data exchanges, to the marketing directors to ensure the audience is defined in the most articulate way for targeting purposing, to the digital team to drive engagement and retention through CRM and CDM.

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DO YOU HAVE A WELL-DEFINED PROCESS FOR THE DEVELOPMENT OF A BUSINESS CASE TO IMPROVE DATA USAGE?

When it comes to the development of a business case, there are merits in both having a well-defined process to follow, as well as the more ad-hoc, case-by-case approach.

Within Schneider Electric, Roberto created the data excellence operating model, to ensure that data is no longer an afterthought (as it is so often considered). This begins with a questionnaire to understand the data requirements of a project, expressing needs into tolerances. The goal is to inject data into the DNA of the organisation in order to learn how to "do data better" over time.

Similarly, in looking at customer communication, Monika created a holistic brief to be used whenever anyone wanted to kick off a project, which included upper and lower tolerances for data. Increasingly, Harrods have leveraged business process managers in IT to engage with the business to understand what they are trying to achieve. This ensures that data is at the forefront of the decision-making process and is not forgotten.

A senior data executive from a leading British technology company described their "data governance by design" policy; when a business case that touches multiple functions is presented, 10 questions around data must be answered, followed by a discussion of data policies and protection. If the initiative goes ahead, further questionnaires compel the team to think about critical data, data sources, a data quality matrix – this all ensures that data is at the forefront of the conversation.

Understanding who are the consumers of the key data, and what data is used across the business can help make the case for managing it in one location – this helps remove the silos that may appear from working on individual data business cases that don't necessarily speak to the common consumer need.

"We need to push forward the moment at which people start to think about data."

Roberto Maranca
VP Data Excellence, Schneider Electric

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If the business strategy demands data to be at the forefront and to be of good quality, available, present, secure, there must be a common master data management strategy. This enables the link between the consumer voice and the business blueprint.

In order to truly break down the silo mentality and ways of working, it may be necessary to shift from individual business cases to something that works on a pan-organisational basis. However, it is difficult to get the business thinking about this if, in silo, the data and analytics engine works well.

Robert Barbour (Data Transformation Director, Travis Perkins) spoke of a similar journey when it comes to tackling the notion of data being an afterthought. In a divisionalised organisation, the danger of non-aligned reporting can be particularly pervasive, requiring some difficult conversations with the C-Suite around where investment would be most worthwhile.

Robert mentioned that ownership and accountability around data can also be a challenge – for example, who should be responsible for customer data quality? Darren emphasised that often it can be easier to find people willing to be accountable for product information, as opposed to those who are happy to take ownership of customer data.

Roberto underscored an important distinction: the ownership of the meaning and the ownership of the quality. The person who defines what a customer is cannot necessarily be held to account if parts of the company are not complying with that definition.

A senior data executive from a leading British technology company discussed taking the conversation of data ownership back to the highest level (i.e. the C-Suite) in order to ensure there is an understanding of these concepts. Executive-level accountability will more readily facilitate agreement and consistency when it comes to data ownership across the wider organisation. Of course, this comes with its own challenges and requires comprehensive and considered conversations with these business leaders.

Equally, the ownership is not binary, so it is necessary to work through the grey areas by asking the right questions. Nevertheless, just as the executives own their processes and systems, it becomes a principle that they must also own the data that flows through these systems.

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CONCLUSION

A common thread that arose throughout the conversation was that data must not be an afterthought. In order to unlock truly transformative change and innovation, it is necessary to depart from this mentality to one in which data is a priority; a core component of business operations. When building a business case, this manifests itself for some organisations in the project requirements, through the use of tools and methods such as assessments, questionnaires and tolerances.

Language and terminology also has a huge part to play. When building your business case for customer data transparency, there must be clarity around even the most basic of questions – who is a customer, how do we define them? Inconsistency over these principles,

as well as data ownership and accountability, must be ironed out in order to ensure the success and sustainability of your initiatives.

Uncovering the key metrics that will underpin your data-driven decision making and working with data consumers to surface these metrics will allow your business case to reflect the current maturity levels of the organisation.

Ultimately, data is a corporate asset. Despite not appearing on the balance sheet, it undeniably holds intrinsic economic value. Only through building a robust business case, that takes into account the needs and priorities of key stakeholders, can this value be retrieved and ROI realised.

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