



Enabling Data Culture and Vision to Drive Business Success

CDOs reveal insights into data challenges and strategies to turn them into business advantage

A recent survey of chief data officers (CDOs) revealed top priorities and other insights from respondents — and shed light on the rising importance of data management, data governance and data quality. Moreover, it uncovered how building a data culture and vision can result in better business outcomes.

Data governance tops CDO concerns

With consumer spending and expectations dramatically changing over the last decade — a period referred to by many as *the age of the customer* — CDOs recognize now more than ever the importance of data management being foundational to achieving business success.

In fact, a recent Stibo Systems survey of more than 100 CDOs revealed the importance of overcoming the challenges of data governance and building a strong data culture. Within the next 6-24 months, 49% of CDOs reported they were interested in investing in data governance and data management initiatives.

This indicates CDOs understand the importance of fueling their systems and solutions with high-quality data. Moreover, with the rise of machine learning, artificial intelligence (AI), the Internet of Things and other emerging technologies, the ability to ensure clean, accurate, high-quality information has become even more essential¹.

CDOs reported a diverse range of challenges. At the top of the list was data governance, with many CDOs reporting data management in general as a key challenge, as well. (See Figure 1).

One survey respondent, who serves as the head of data for a financial services firm, reported that his “responsibilities include defining the data governance framework that allows our organization to successfully manage its data quality, data access and data security.”

Another top concern involved the lack of monitoring and measuring ROI of their data governance initiatives. Three out of four reported they do not currently have this kind of capability in place. (See Figure 2).

The importance of a data culture

In addition to governance, another topic that surfaced involved the importance of creating a data culture. With more information available from more sources, and an increasing number of tools available to glean analytical insights, establishing a data culture within the organization is considered crucial to achieving business success.

Top five data challenges identified by CDOs

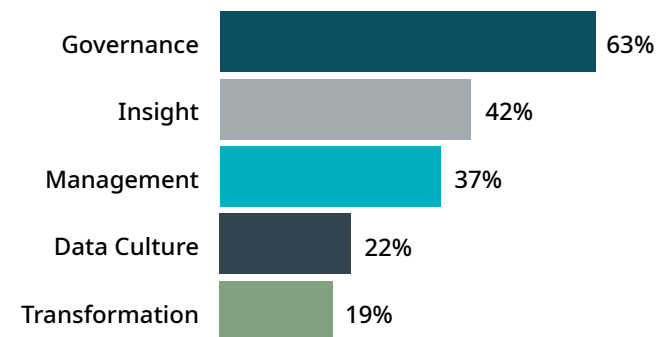


Figure 1. CDOs recognize the many difficulties of data governance, data management, building a data culture and more.

Do you monitor your data governance initiatives?

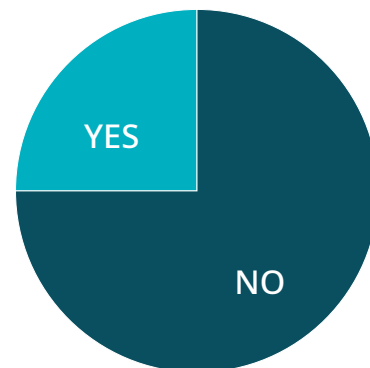


Figure 2. Many CDOs reported they do not monitor data governance initiatives.

One chief data architect in the professional services industry explained, “We need to create a data culture and make sure it’s not just a case of implementing technologies. We need everyone brought in for our project and platform to be successful.”

But cultural shifts do not happen overnight, which is why it ranked so highly on the list of challenges. Instead, CDOs and their teams can expect the journey to take a matter of years, not months, and anticipate one or two hurdles.

“We really want to drive data within our organization as more of an asset. What tools and tech are out there that can help us stay away from a legacy culture resistant to change?”

— Head of Data and Analytics, Public Sector

Developing a data culture and being able to accept cultural change are trends observed across the industry. And any shift toward a data culture may result in a more fundamental transformation of the business. As one CDO of a financial services firm remarked: “We want to improve our digital transformation journey and become a bank of the future. We want the business owners to do things themselves rather than rely on IT, so we can democratize data and embed it as a culture in the company where they have the tools to access and utilize it easily.”

The importance of vision and strategy

Successful CDOs understand that before they can create a data culture or establish data governance, they must first define a data foundation based on a vision and strategy focused on their business outcomes.

In other words, they don’t look at data as a problem to fix. Instead, they look at the challenges the business faces in reaching its objectives and identify where data has a role in solving them. Then they plan how to use data to connect the many aspects of their business together, as well as connecting to those who matters most – their customers. Moreover, they can identify how to take advantage of analytics using connected data sources, which gives greater insight into the business and customers.

One chief data scientist, who works in the travel industry, summed this up well, asking “How can we use data to create personalized experiences through all our products for all our customers?”

Defining vision and strategy

Following are a few key questions (and suggestions) to help build your vision and strategy:

- **Do you have trouble retaining customers?** Reducing duplication and improving personalization can help improve buying rapport.
- **Is an inefficient supply chain slowing time to market?** Creating a single view of products and suppliers can simplify productization and launch time.
- **Lacking insight or control of what third parties sell?** Connecting data from brokers, agents and other intermediaries into a central Digital Business Hub can provide the insight you need to direct activities.
- **Are you struggling to find ways to grow?** Using data to analyze customer behavior can help predict what products to sell, and where and who to sell to. You can also use customer data to manage inventory more accurately and cost-effectively.

Across the board, CDOs were in agreement that some level of transformation was essential to spearhead business growth and develop a better data strategy.

A holistic approach to building data strategy

When it comes to building and implementing the right data strategy, in addition to asking the right questions, CDOs must take a comprehensive and holistic approach focussed on achieving specific business objectives.

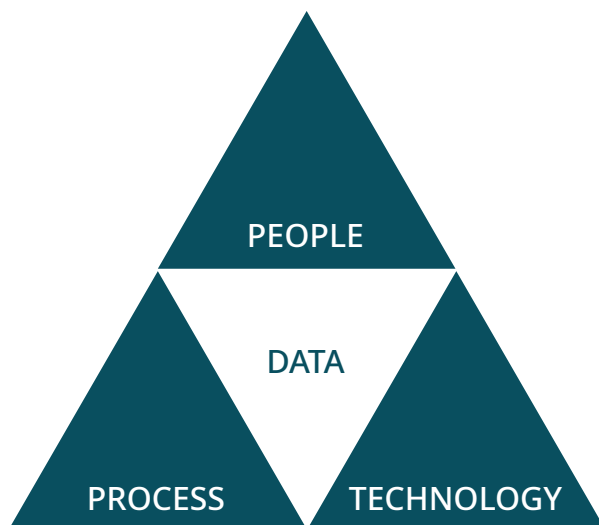


Figure 3. CDOs must build a strategy, which includes people, processes and technology, to overcome business and cultural challenges

This includes a combination of the right people, processes and technology, to maximize the value of data in order to overcome business and cultural challenges (See Figure 3).

The importance of implementing strong data management and governance

Once the CDO has created and established a vision, strategy and data culture, they can use their identified business objectives to drive data management and governance needs.

One approach that has been successfully employed by companies such as Adidas, M&S, Fujitsu, Siemens, Kellogg's and Sony is to implement master data management. MDM enables them to ensure high-quality data and apply proper governance and data management, delivering value to the organization and the customer, alike.

By beginning with their desired business outcomes, they ensured that they had the right technology in place to turn data into a critical business enabler for achieving better insight, improving decision making and delivering superior experiences and value.

“When starting a new initiative, it’s a crucial best practice to identify value from the outset. Understand what drives the most value in the company, and then identify what data is needed to deliver the best outcome.”

— Adrian Carr, CEO, Stibo Systems

Summary

As shown by the results of this, and numerous other studies, CDOs today face multiple, complex, rapidly evolving challenges. Consequently, core capabilities around data management remain top areas of interest.

Why? Because all of their other initiatives — including those derived from sales, marketing, product and other business areas — require data that’s timely and accurate to be successful.

Across every type of industry, CDOs understand the importance of data governance and of investing in technology that delivers high-quality data. The trend toward addressing core data needs will continue to rise as more companies add CDOs to their executive staff and leverage technologies like MDM to deliver business value across the enterprise.

But before a CDO can determine budget or address these priorities, they must build a vision and strategy that drives better business outcomes. Once identified, the CDO can effectively prioritize initiatives such as building a data culture, directing change management and developing data as a foundational asset so that it drives significant value throughout the organization.

Ready to take the next step? Explore our **Knowledge Hub** for in-depth insights or learn how to deliver **superior business insights with our MDM solution.**

¹Results based on a 2019 Stibo Systems survey of more than 100 CDOs.

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.