Develop a Data Strategy

For Your Organization

Expand your view of data from a quantitative task to an essential part of any business case or justification for revenue forecasts, operational allocation, and project prioritization.

Ben Stroup

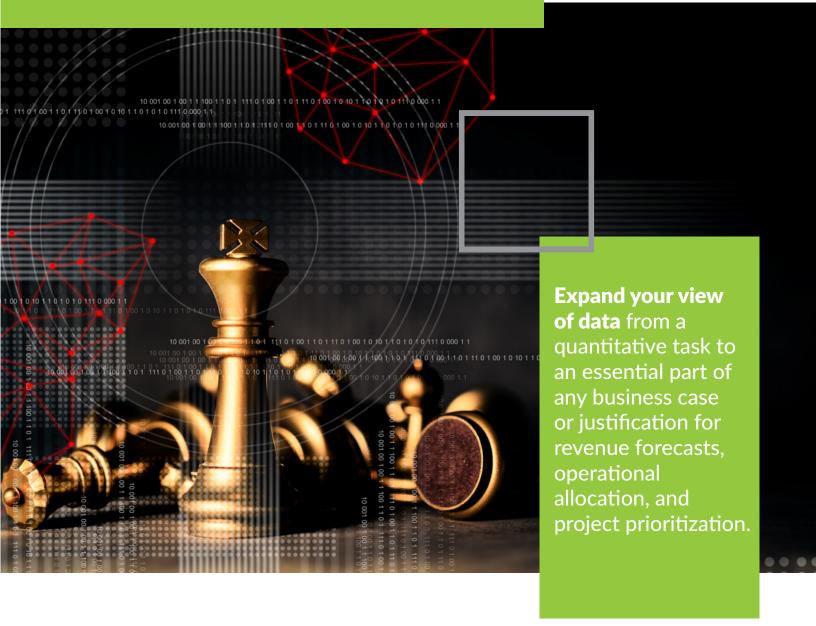**VELOCITY**
strategy solutions

Problem: While data is talked about regularly in business circles, leaders have not yet adopted it into the generally accepted expectations and practices of their organizations, regardless of their shape and size.

Opportunity: Expand your view of data from a quantitative task to an essential part of any business case or justification for revenue forecasts, operational allocation, and project prioritization.

Resolution: Augment reporting and descriptive data with predictive and prescriptive data analysis that informs strategic and management decisions to ensure you are responsive to changing market realities that would remain undetected if relying on experience and "gut-level" thinking alone.

> **"** *...just because data is available doesn't mean leaders believe it's important and know what to do with it.*

Everywhere you turn, expectations are being reinforced with regard to the importance of data for people, businesses, governments, and life in general. Whether it's the simplest measures of how often we pick up and unlock our phones or more complex functions such as finance, product development, and corporate governance, data is already embedded into just about every part of our lives. But just because data is available doesn't mean leaders believe it's important and know what to do with it.

The pressure to make real-time decisions is stressing the current approaches to organizational structures and management practices. The only thing holding back massive change is that current revenue levels are still performing similarly enough to historical trends to postpone important business strategy shifts that will inevitably need to take place.

What's lurking underneath the surface is what's most troubling and should be of paramount concern for executives and leaders today. However, it's the place where most leaders will likely spend the least amount of time. While I remain optimistic, I think, in general, we're further away from a truly data-driven culture than we might think.

How Most Businesses and Organizations Relate to Data

- **Data remains the primary function of one business intelligence team.** Managers, leaders, and executives continue to outsource the data conversation to someone else in another department instead of personally and intentionally participating in this vital discussion.

- **Data visualization tools, while more accessible and intuitive than ever, are not utilized by all managers and organizational leaders.** Until license fees and training make it into the operating budget, only a few select people will have access to these tools. And those people will most like reside in departments such as IT, finance, and business intelligence.

- **Data is not informing real-time decisions**. Instead, it's being manipulated to preserve and support current operational systems, processes, and commitments.

Why Data Isn't Essential to Strategy and Operations

- **The bias of experience**. The longer you've spent in your role, the more likely it is you'll maintain current course and speed, especially if performance remains similar year over year.

- **The bias of success.** The greatest inhibitor of future success is past success. We assume that the variables and controls are exactly the same this time as they were last time, so we believe that doing the same thing will produce similar results.

- **The bias of incomplete data.** There is nothing like a leader whose only interaction with data is to poke holes in its integrity. Rather than addressing data quality, they just reject anything that doesn't support their instincts.

- **The bias of marketplace familiarity.** When you've been in an industry or vertical for a long time and risen through the ranks, it's easy to believe not much has changed. Yet you are further removed from the tension of the marketplace than you've ever been. That actually makes you the most vulnerable to making decisions based on assumptions that are no longer true.

How Data Can Become Part of the Culture

- **It starts with the person at the top.** If you don't have CEO buy-in, then you're going to have a hard time making any shift in your organization's culture.

- **Allocate money for tools and training.** Everything we do in business today was new at some point. It's shocking how little investment is being made in making data visualization tools available to every business line leader along with the training and support to back it up.

- **Set expectations at the decision-making table.** If you can't support your assumption, idea, or premise with a summary view of integrated data, then you don't get to share your thoughts. Period.

- **Follow the data.** When you see the data, you're given an opportunity to make a different decision. Many leaders only consider data that validates their current assumptions. It's rare when data contradicts one's sense of reality that a leader adjusts and adapts.

How to Develop a Data Strategy for Your Organization

Commit to increasing value with customer segments, not managing to efficiencies in channel marketing and operations. When you organize your organization around increasing the value of customer segment groups, you will find it infinitely easier to relate measures and dimensions outside of organizational structures that will provide rich insights.

Develop a plan to maintain the integrity and quality of the data as well as protect the substance of the data. You need to have a plan to manage data hygiene and to protect your data from hackers who want to expose it. It's about trust.

Resolve three core functions: 1) Capture the data consistently, 2) Provide the tools for leaders to access the data, and 3) Demand that leadership conversations be supported with real-time data. Focus

on resolving these three vulnerabilities in your organization by taking actionable steps toward making them a reality. When you have data, give people access to it and the permission to mine, shape, and integrate into key decisions and commitments.

When operating within a data-driven culture, mind the gap between awareness and activation. There are significant skills gaps that need to be closed. And it starts with your executive team. They are the ones you depend on to drive the company toward desired levels of performance, but they're also the most susceptible to the biases described above.

Learning and Humility Are Essential to Implement a Data Strategy

It's not enough to want to, hope to, or plan to make data part of your culture. Data is not like a garnishment you appreciate when dinner is plated and served, but later regarded as nonessential. Rather, data is the sustenance your organization needs when facing market realities you can't yet detect and taking calculated risks for your future growth.

A data-driven culture is a learning culture. And there is a great deal of humility required for senior leaders and executives to admit they need to adapt their thinking, skills, and practices to manage the road ahead in what many are describing as the decade of disruption. Data is ubiquitous, but it will require your organization to make intentional decisions if you want to develop and implement a comprehensive data strategy for your organization.

About

Ben Stroup is Chief Growth Architect and President at Velocity Strategy Solutions where he helps leaders design, develop, and deploy smarter business growth strategies. Ben is a futurist, disruptor, and data champion. He leads a team that takes a structured learning approach to business challenges, which allows them to assist leaders in bridging the gap between ideas, innovation, and revenue—taking ideas from mind to market.

Velocity Strategy Solutions is an on-demand, next-generation business strategy and management consulting firm which provides clients with a relentless focus on data, execution, and results that positively impact the bottom line. Velocity delivers integrated people and revenue strategies combined with a disciplined approach to growth architecture that elevates the capacity of leaders, teams, and organizations to succeed and win more.