HOW TO BECOME A DATA-DRIVEN ORGANIZATION
The volume of digital records an organization can amass these days is incredible. But recorded data is just taking up space if it isn’t transformed that employees can use to develop insights and make better informed decisions. Becoming “data-driven” can improve just about any organization’s performance, projections, and customer experience.

Organizations with mature data-driven cultures give employees barrier-free access to data and analytics tools. There is a culture of reliance on data; it is an integral factor in decision-making. Employees regularly use analytics and business intelligence to explore available data, harvest it to create information, and effectively communicate insights with team members. Wherever possible, employees also promote transparency and engagement by sharing data and information with customers, vendors, and other partners.

In short, using superior data and analytics yields superior insights and capabilities that drive business improvement:

McKinsey Global Institute reports that data-driven organizations are 23 times more likely to gain customers and six times more likely to keep them, making them 19 times more likely to be profitable.

All of that being said, actually becoming data-driven can be a great challenge. Many organizations make the mistake of letting their program fizzle out after the installation of a data analytics engine, failing to lay down necessary groundwork and cultivate the cultural engagement that drives data-driven success. EY found that 81% of organizations agree that data should support everything they do, but many of their data-driven initiatives fail.

You can support your organization’s data-driven success by evaluating your current usage, designing and documenting your program, building competencies and implementing a cultural growth plan, and establishing – and then measuring and tweaking – a solid data management program. In short: lasting change requires programmatic governance and intentional management. And a strong foundation will position your organization for data and information that is trusted to inform and strengthen decision-making.
BEGIN BY DEFINING THE SOURCES, MANAGEMENT, AND USES OF YOUR DATA

A data governance policy is a logical first block in your data-driven foundation, as it documents how your data and information will be managed and used. To prompt the decisions that will form your organization’s policy, consider these questions:

• What data do we gather today? How is it organized? How is it used?
• What data are we missing? What information would be valuable? Is it available?
• What data sources are redundant? How will we choose the right data sources for our organization?
• What events or issues have caused us to seek this change in data implementation?
• How will our new approach of using data to drive decisions fit into our organization’s current culture? What changes will be needed? Are we ready to transform our culture into one that utilizes data for decision-making?
• Where will these new functions fit in terms of organizational structure? Does our team have the necessary competencies to manage and utilize data and create information?
• How will this impact each department’s processes and employee responsibilities?

In addition, include principles that align with your organization’s goals and structure. And be sure to carefully plan your data governance with an eye for integration:

• determine and document naming conventions
• operating systems and formats
• technical and structural frameworks

Incorporate regulatory requirements, thinking ahead to probable future changes, and determine appropriate retention, archiving, and cleansing policies. Work closely with your legal team to ensure your policy covers all relevant legal and liability requirements. This is also a good time to consider seeking data compromise/breach and cyber liability insurance coverage.

Once the policy and a rollout plan are created, your organization’s leadership team must commit to it before the project moves forward.
CREATE VALUE BY ASSIGNING MANAGEMENT AND OWNERSHIP OVER EVERY PIECE OF DATA

The next foundational block is strong technical data management. This starts by integrating and defining all your organization’s data consistently. Your data is your organization’s greatest asset, but to be adequately utilized, data cannot act alone. Many organizations assume their problem is a lack of data when often there is plenty of data just being poorly managed. By creating a foundation where common standards of data management are upheld, your organization can leverage each piece of data effectively and integrate it into your enterprise to collectively improve your key learnings and insights.

While technical team members may ensure everything works correctly, data ownership is a separate role. Every line of data needs to have one person or role assigned as its custodian (with backups, of course). It can be tempting to simply place each data set under the ownership of the source/destination department/group, but this practice leads to issues down the road. Each item’s matrix of responsibilities is more consistent under the care of one person. And data owners should also act as a communications and policy liaison from their group to the data governance group or committee, both to drive consistency and to discuss planning and decisions.

The final foundational block is data quality, which is more than just whether the numbers are correct: it defines how well your data serves its overall purpose. Data must be comprehensive, easily accessible, and accurate. It must be recorded in a way that will make normalization possible.

If it is deemed untrustworthy, it is bereft of value; it cannot fulfill its purpose and can lead to ineffective decision-making. Bad data can even put your organization at regulatory risk. So set a foundation for measuring data quality in absolute terms according to each item’s purpose. You can do this by establishing a specific, consistent process for validating the data. This will ensure your data meets all relevant quality standards.
BUILD THE COMPETENCIES NEEDED TO WORK FROM A DATA-DRIVEN PERSPECTIVE

As a data-driven organization, data and information will move through each employee's workflows, so it is natural that organizational competencies will need to change and grow. This transition is a good time for each group to examine their processes.

- Where are opportunities to incorporate data or even artificial intelligence?
- What should go into dashboards, and how often should they be updated?
- What databases should be easily searchable?
- Could some parts of the workflow be automated based on rules or measures?

Your organization’s role and responsibility definitions may need to be updated to reflect planned changes. Teams may identify skill or awareness gaps, so be sure to have expert guides and other educational resources available. Departmental dynamics may be affected – does everyone understand that this is not a resource-cutting exercise, but that data will only help them do their job better?

Your organization’s technology competencies should also be considered. Which tools and equipment are missing or need to be augmented so each staff member can efficiently perform their job?
GROW A DATA-DRIVEN CULTURE

Gathering the data itself, integrating tools, and building technical structures are relatively straightforward components of this transition. Transforming the organization’s culture to support this change will naturally be a longer and more complicated process. However, fostering the right culture is essential to success. A full set of practices bring together data talent, tools, and decision-making:

1. **Introduce your new data and analytics culture**
   Tailor the introduction and corresponding education to your organization. Each employee needs to understand and respect why you are making this change, what opportunities it will open, and expected behavioral changes. Consider rewards or celebrations to smooth the transition.

2. **Form a single data and analytics enterprise**
   All data collection and analysis activities should operate under consistent leadership with standard technology and tools to ensure consistency across reporting and facilitate data sharing. Don’t forget to include the data owners we discussed earlier.

3. **Attract, hire, and retain the right people**
   The analysts and data scientists you hire into your business intelligence team need top-notch quantitative analysis skills. They also need experience in your industry so they understand the data, its sources, and what drives its quality. Be sure to identify team members who can effectively help both end users and senior leaders benefit from your organization’s data and analytics.

4. **Focus your efforts**
   Direct the necessary resources into these new initiatives for data and analytics to serve your overall competitive strategy directly. Adhere to your data management standards and policies so the most relevant and insightful data remains easily accessible.

5. **Advocate for data and analytics roles at every level**
   Appoint an executive sponsor of data and analytics. When leaders model fact-based decision making, the corresponding processes and skills needed will become an organizational priority, driving culture change. “Data Skills” should be a requirement for all knowledge professionals, not just data scientists and BI experts.

6. **Remedy data access issues**
   As employees discover the value and potential of data, analytics, and information, maintain momentum by prioritizing access requests. Offer assistance and guidance from your data team to drive success.

7. **Avoid isolating data and analytics team members**
   Your analysts and data scientists should interact with leadership and understand the organization’s overall strategies. This kind of collaborative communication helps both sides succeed and understand each other’s needs.
COMPLETING THE DATA-DRIVEN TRANSFORMATION

As your organization incorporates data-driven practices, be sure to measure your progress, identify areas for improvement, and maintain and grow your database. Employees should no longer make decisions and then find or manipulate data to support it. Instead, facts and validation should be the foundation of the decision-making process.

The change will transform your organization. Team members at every level will be more confident, your organization will more easily identify gaps and opportunities and see more performance gains, and each department’s overall effectiveness will improve. This success will come from the strong foundation you’ve built, the competencies you’ve developed and the culture you’ve formed. The process is not quick, simple, or easy. But the results can’t be anything but operationally, financially, and even culturally rewarding.