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Welcome to Week 5
Class of 2024

Our Program Partners

MicroStrategy: this week's class partner

Nick Barth

Senior Sales Engineer

MicroStrategy®

INTELLIGENCE EVERYWHERE

Program Overview

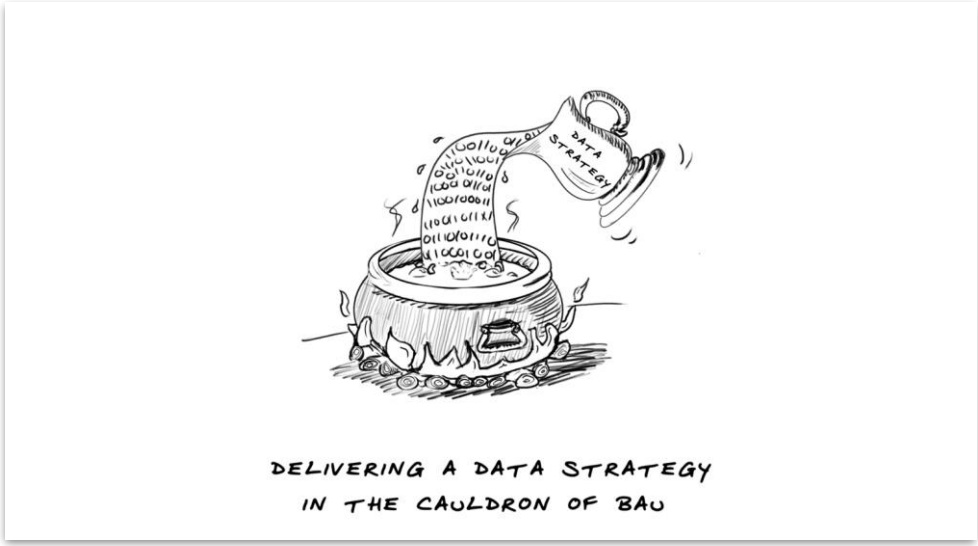
The Program

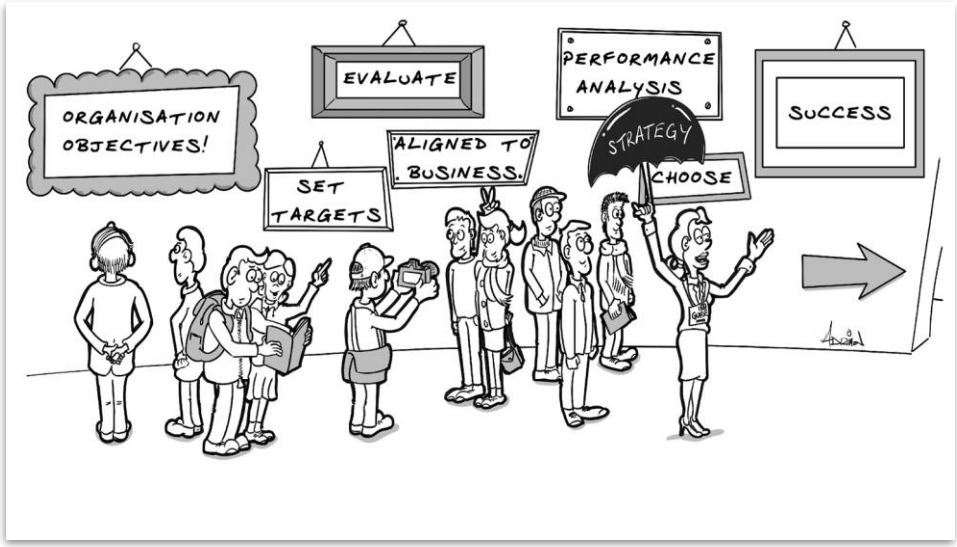
- **Week 1 - Guest Speaker Aaron Wilkerson -** Understanding the different types of CDO and what kind are you
- **Week 2 –To be joined by Scott Taylor -** Making the case for the CDO and business case development
- **Week 3 -** Planning for your first 100 days and beyond and The Carruthers and Jackson Data Maturity Assessment Overview
- **Week 4 -** Strategy Development part 1 Purpose
- **Week 5 -** Purpose
- **Week 6 -** People
- **Week 7 -** Method
- **Week 8 -** Tools
- **Week 9 To be joined by Kate Strachnyi -** Building your team
- **Week 10 -** Disruption versus innovation

Lookback: Class 4

Purpose - Strategy

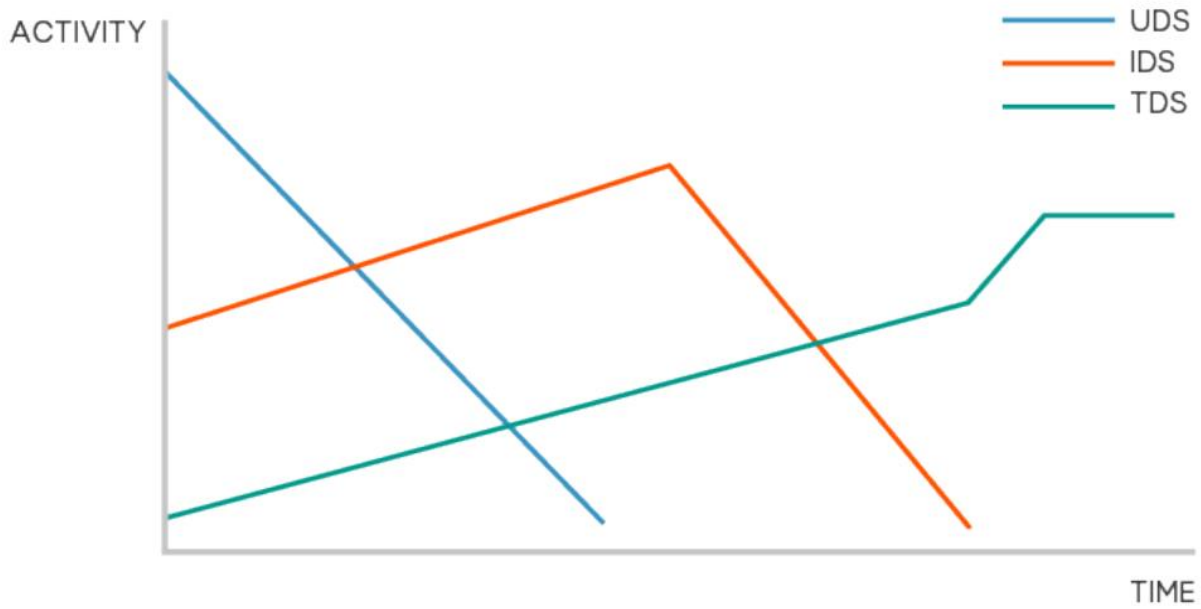
Delivering Data Strategies





The multi-dimensional data strategy approach

- Urgent Data Strategy
- Immediate Data Strategy
- Target Data Strategy



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Acme Delivery Corp

Example Data Strategy

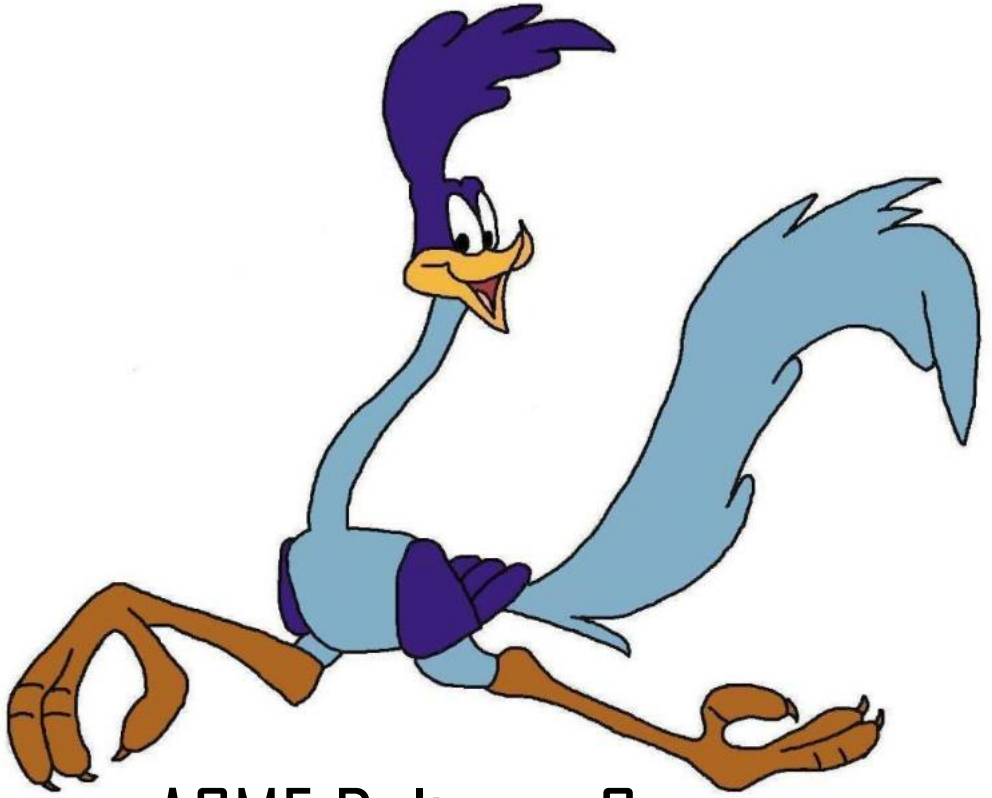
Summer School 2024

Disclaimer

This is a fictitious example for teaching and demonstration purposes only.

Its purpose is to act as a guide to illustrate what a typical data strategy could look like and some of the key sections that a data strategy would normally contain.

Contents



ACME Delivery Corp

The fastest delivery service in the world

1.0 EXECUTIVE SUMMARY

ACME Delivery Corp is a company with a long history and an unrivalled reputation for impressively fast delivery. We pride ourselves in being able to ship anything, anywhere.

Our priority as a business is to provide a consistently **fast and reliable delivery service** and **exceptional customer service,** whilst keeping our **costs low** and **reducing our carbon footprint**.

This strategy sets out how we will better harness and manage our data to enable us to meet these goals.

Our aim is:

"To bring together and use all of our data to offer the fastest, most reliable, and most customer-friendly delivery service in the world"

We have assessed our data maturity and identified that:

- We are strong in: managing high profile data-related risks, meeting regulatory data protection requirements, and measuring our business performance.
- We have challenges when it comes to: our organisational framework with regards to data (accountabilities are unclear and there is a siloed approach to data), and our data architecture which does not provide adequate levels of data accessibility.

We will address these current challenges by ….

- Improving our core data foundations
- Building our data capabilities
- Addressing cultural and behavioral issues
- Establishing an organisational framework that enables people to use data in the right way.
- Providing our people with the skills and tools they need to access and use data effectively.

…**until data enables us** *to effectively innovate, optimise and personalise our services, to ensure we are always our customer's first choice for fast, high quality, and value for money delivery services*.

This data strategy covers our approach to:

- All the internal data related to Acme Delivery Corp
- All the data we hold, and use related to our customers and business partners.

This data strategy will evolve and adapt over time to respond to our changing business needs and expectations.

2.0 OUR VISION FOR DATA

"To bring together and use all of our data to offer the fastest, most reliable, and most customer-friendly delivery service in the world"

What will it look like when we achieve our vision?

"Data enables us to effectively innovate, optimise and personalise our services, to ensure we are always our customer's first choice for fast, high quality, and value for money delivery services."

3.0 OUR GUIDING PRINCIPLES

The following principles guide our priorities and set the standards for our actions

Our Business Principles

Continual improvement - We are always looking for new and innovative ways to be the best at what we do.

Striving for excellence and efficiency - We work quickly but we never sacrifice quality.

Customer-centric - Our customers' needs are at the heart of everything we do. We constantly strive to provide the best possible services to our customers.

Empowering our people – We empower each one of our employees to be creative and innovative, and to bring their best selves to their work.

Our Data Strategy Principles

Our data helps us to monitor and understand our business and know how to improve our operations and services.

Our data is high quality, trusted, automated and integrated, and helps us to optimise our internal operations and the services we provide.

Our data helps us understand our customers. It is accurate, secure and complete and is used effectively to improve our customer's experiences.

Our data is timely, accessible, shareable and democratised, and our employees have the skills and knowledge to use it.

4.0 OUR DATA MATURITY

The Carruthers & Jackson Data Model was used to determine the current and desired state of our data maturity.

The model comprises 12 core dimensions, which when combined address all core areas of data management.

The entire business was engaged through a series of cross-discipline workshops, in early 2023, to understand how our employees experience each of these dimensions and provide an overall rating.

	Dimension	Current	Target
Purpose	Strategy	1.7	3
	Governance	1.8	3
	Risk	2.3	3
People	Leadership	1.5	3
	Behaviour	1.5	3
	Skills	1.7	3
Method	Organisation	1.2	3
	Framework	0.2	3
	Policies	2.0	3
Tools	Architecture	1.3	4
	Metrics	2.2	4
	Technology	1.5	4

Ratings

0 – Unaware 1 – Aware 2 – Reactive
3 – Proactive 4 – Managed 5 - Optimised

Strengths:

- **Risk** – High probability risks and regulatory requirements are well managed .
- **Policies** – Key data policies are in place and communicated, especially with regards to data protection and regulatory requirements.
- **Metrics** – Metrics framework in place for business performance monitoring.

Challenges:

- **Organisation** – Lack of clarity over data ownership, roles and responsibilities. Siloed approach to data.
- **Framework** – Lack of a defined Data Operating Model and no data steering group.
- **Architecture** – Lack of business-wide approach and no common standards for models, makes data difficult to locate and access causing delays to reporting.

Target Maturity Levels:

The recommended target states are *proactive* (3) for the majority with Architecture, Metrics and Technology elevated to *managed* (4) due to their importance in achieving our vision.

5.0 PRIORITY AREAS

Based on our understanding of where we are today (informed by our **current data maturity),** and guided by our **data strategy principles,** we have identified the key things we will need to accomplish to reach our Vision and achieve a data-driven transformation of our business:

- Foundations - Establish and mature our core data foundations
- Risks - Address the urgent risks and priority issues
- Value - Deliver immediate and continued business value.
- People – Ensure our company cultural supports data transformation and promotes collaborative and innovative use of data.
- Capabilities - Build and scale our data capabilities
- Organisation – Create a framework that brings people together to do the right thing with data.
- Embed - Turn the changes into the new “business-as-usual”
- Evolve - Allow the vision and strategy to change over time

6.0 DATA STRATEGY APPROACH

We understand that data-enabled transformation will not occur overnight and needs to be delivered gradually and incrementally, allowing the strategy and vision to evolve over time. Our Data Strategy be made up of two concurrent tracks and we will take a phased approach to addressing the priority areas.

Data Strategy Tracks:

- The **Immediate Data Strategy (IDS)** – which addresses the most urgent issues, establishes core data foundations, delivers early business value from data, and begins the cultural change towards becoming data-driven.
- The **Target Data Strategy (TDS)** – which delivers the strategic, complex and dynamic end state that is only achievable over a longer period.

Running across both tracks will be **"Use Cases":**

- **Use Cases** are discrete data activities focused on addressing a specific issue or "data opportunity". By fixing the elements of our data foundations that underpin these use cases, we will deliver value quickly whilst demonstrating the viability of new approaches which can be scaled across the business (see 6.1).

Phased Approach:

- The data strategy will be delivered in **3 phases.** Each phase will have a specific focus; be aligned to value delivery in support of our business priorities and strategic goals; and iteratively move us towards our vision (see 7.1).

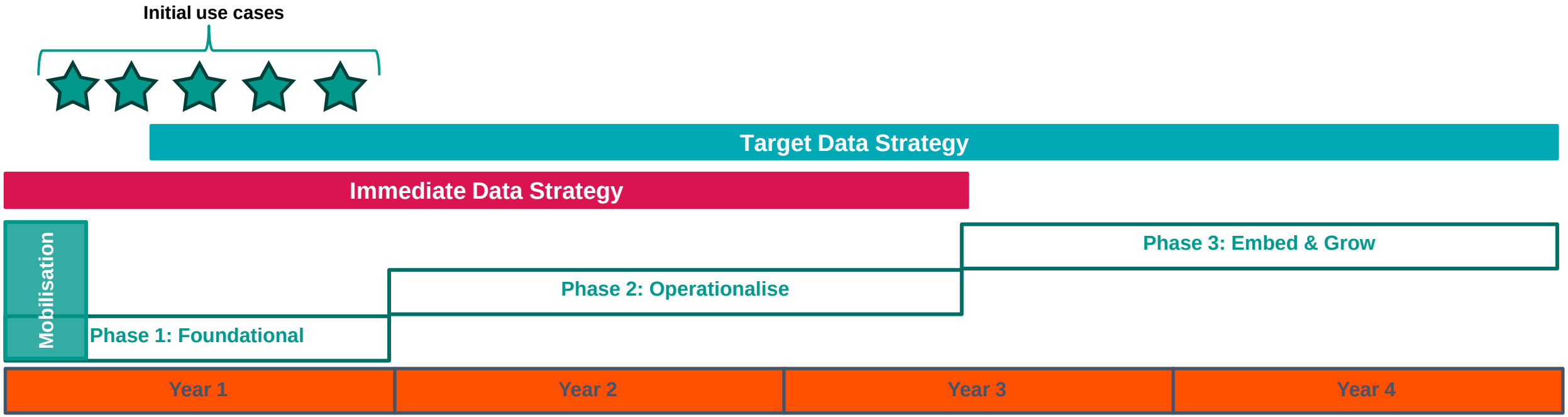
6.1 Use Cases

The following five initial use cases have been selected to be delivered in Phase 1, as they address existing business problems/opportunities, are aligned to our business priorities, and will start to deliver value quickly.

	Use Case	Business problem/opportunity to be addressed	Business Priority			
			Fast deliveries	Customer experience	Low costs	Reduced carbon emissions
1	**Self-service data for customer service team**	Customer feedback is a key metric monitored by the business. Although Customer Service teams' performance is measured against customer feedback scores, they currently have limited access to data to help them understand how to influence and improve scores.		✓	✓	
2	**Personalised communication**	Our customers expect a more personalised experience. We need to be able to access all the data we hold on our customers, gathered from various sources and channels, to create a single customer view, to be able to provide communications that are targeted and tailored.		✓	✓	
3	**Delivery route optimisation**	We need to ensure delivery routes are optimised and can be proactively adjusted. We are currently unable to quickly and accurately collect and combine all the data on influencing factors, such as van locations, weather, traffic, road closures, etc.	✓	✓	✓	✓
4	**Demand prediction**	We need to improve how we use data and insights to more accurately predict future demand, so we can efficiently plan and manage our staff and fleet.	✓	✓		✓
5	**Shipment visibility**	Our customers expect to be able to track their shipments in real-time and receive an accurate predicted time of arrival.	✓	✓	✓	✓

7.0 DATA STRATEGY ROADMAP

The following provides indicative timelines* for the phasing of the key components of the data strategy.



*Further scoping and dedicated programme management will be required to specify and manage specific tasks and deliverables required at each phase.

7.1 Data Strategy Roadmap - Phased Approach

The Data Strategy Roadmap describes the steps to implementing the IDS and TDS in **3 phases**.

Each phase will have a specific focus; be aligned to value delivery in support of our business priorities and strategic goals; and iteratively move us towards our vision.

Phase		Approx. duration	Expected Outcomes at end of Phase
Phase 1	**Mobilise**	3 months	• Leadership commitment established. • Mechanisms to build capabilities created. • A dedicated team established to implement the IDS
	Foundational	12 months	• Data foundations established. • Most urgent data issues addressed. • Data environment stablised. • TDS communicated and engagement building. • Initial use cases delivered. • Data literacy curriculum in place
Phase 2	**Operationalise**	18 months	• Data transformation programmes/projects planned, and implementation started • New and innovative methods/processes introduced and developed to MVPs • Data governance maturing. • Data culture building. • Data literacy improving.
Phase 3	**Embed and Grow**	18 months+	• Data strategy now delivering significant data transformation. • Organisation reshaping around data. • Data literacy reaching desired levels. • Data capabilities matured and scaling. • Data cultured engrained and decision-making, and operations are data-enabled. • TDS starting to evolve.

7.2 Data Strategy Roadmap - Measuring Success

Phase	Success measures	Opportunities
Mobilization	Success Measure	• Opportunity example
Phase 1	Success Measure	• Curated and aggregated customer data • Self-service dashboard for customer data • Personalised marketing communications
Phase 2	Success Measure	• Route optimisation tool • Personalised customer service responses • Self-service AI powered customer communication
Phase 3	Success Measure	• Predictive insights • Real time tracking

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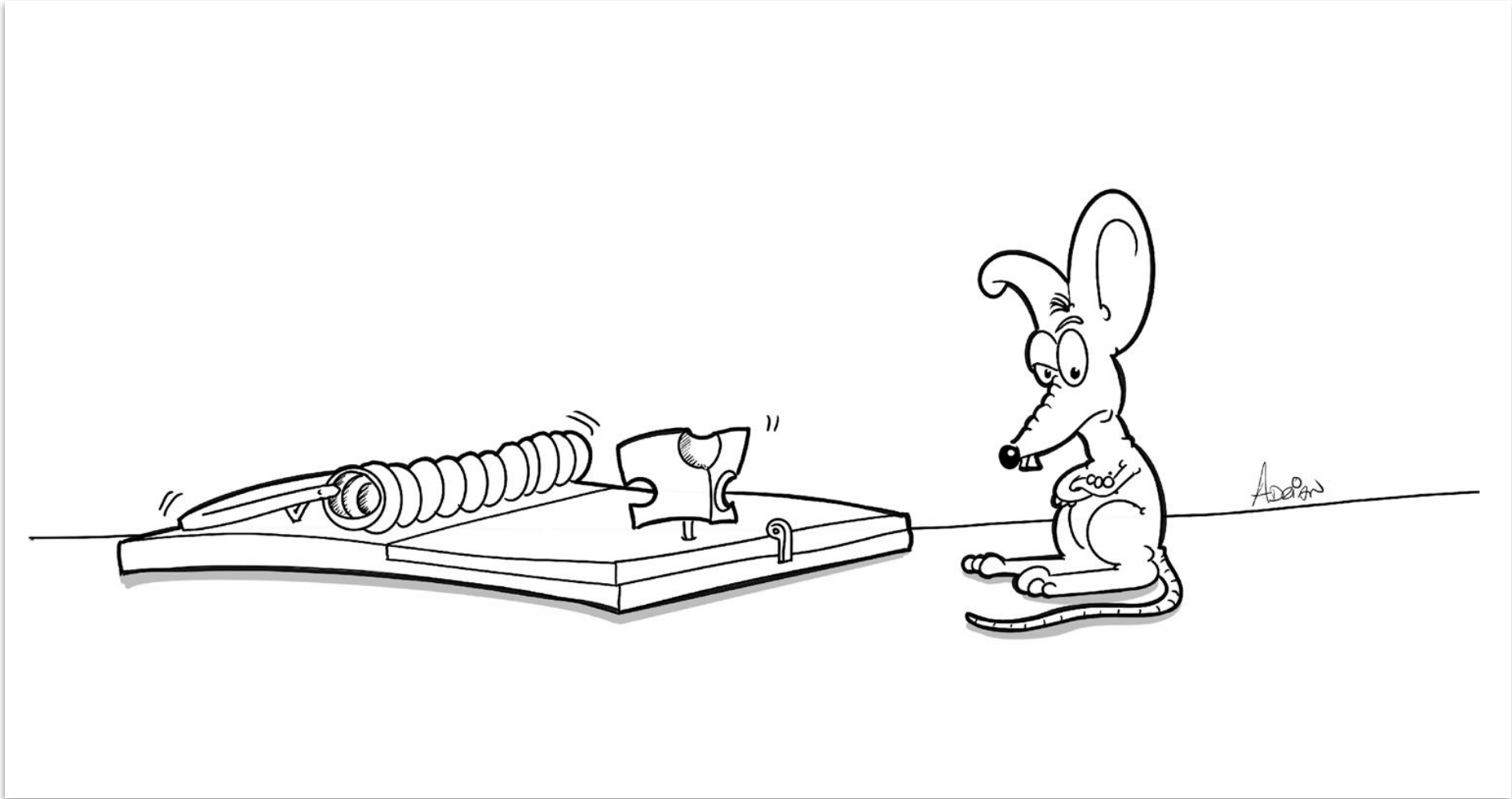
Class 5:

Purpose:

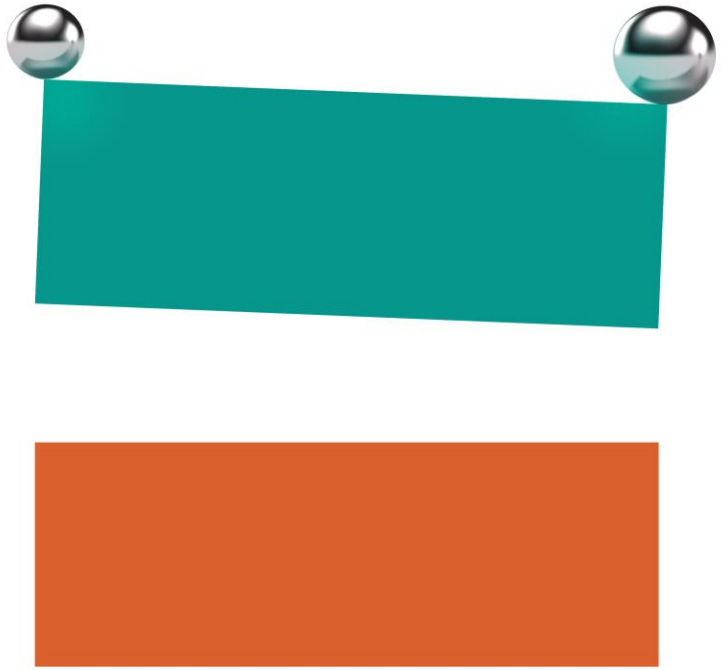
Risk & Governance

Risk



Risk

Do you have a set of data and information risks well-defined and understood?
Does your business understand the criticality of these risks?
Are you supported in dealing with these risks?



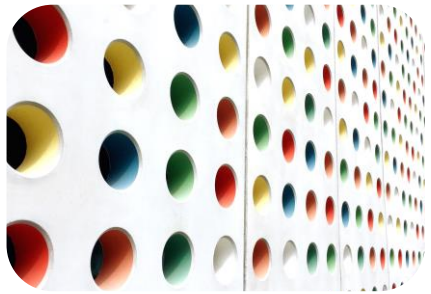
What are data risks and why are they important?

Reputation

Poor data could impact reputation with customers, partners, and the wider market. Reputational damage could impact, revenue, and purpose.

Financial

Poor data could impact the bottom line. It could cause poor investment decisions, loss of revenue, financial penalties, and productivity losses.



Safety

Poor data could lead to ineffective decision making, resulting in unsafe or insecure premises or working practices

Strategic

Poor data could have a debilitating affect in the long run. Causing opportunity costs and loss of competitive advantage.

Regulatory

Poor data and practices could lead to breaching of regulations, due to non compliance. Leading to reputational and financial damage.

Principles for managing data risk

1. Data Risk Management must be **embedded** in the Operational Risk Framework
2. Data & information risks must be well **defined** and **understood**
3. The **criticality** and **priority** of these risks (potential impact) must be **clear**
4. Establish the **root cause** and mitigate through **clear ownership and actions**

Following these 7 steps will enable improved management of Data Risk:

Example risk definitions

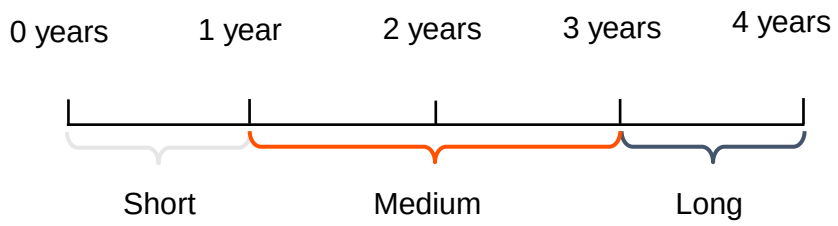
Risk probability

	Probability
Very high	> 75% chance of risk occurring
High	> 50% but < 75% chance of risk occurring
Medium	> 25% but < 50% chance of risk occurring
Low	< 25% chance of risk occurring

Risk consequence

	Financial impact	Reputational impact
Very high	P&L hit: > £25m Capital hit: > £500m	Catastrophic level of loss – prevents delivery of business objectives
High	P&L hit: £3m - £25m Capital hit: £60m - £500m	CEO/BU Head involvement. Significant impact to business objectives
Medium	P&L hit: £1m - £3m Capital hit: £10m - £60m	Senior management involvement with no real threat to business objectives
Low	P&L hit: < £1m Capital hit: < £10m	Day to day impact with no real threat to business objectives

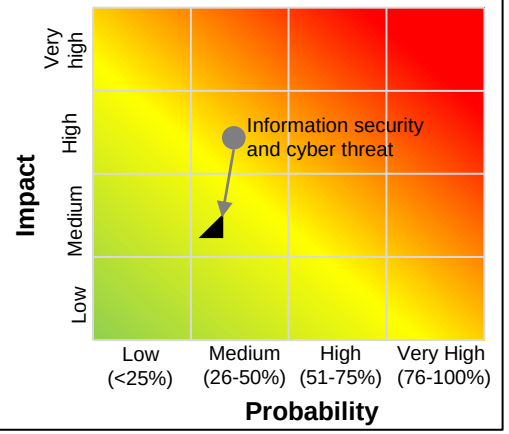
Risk period



Key terms

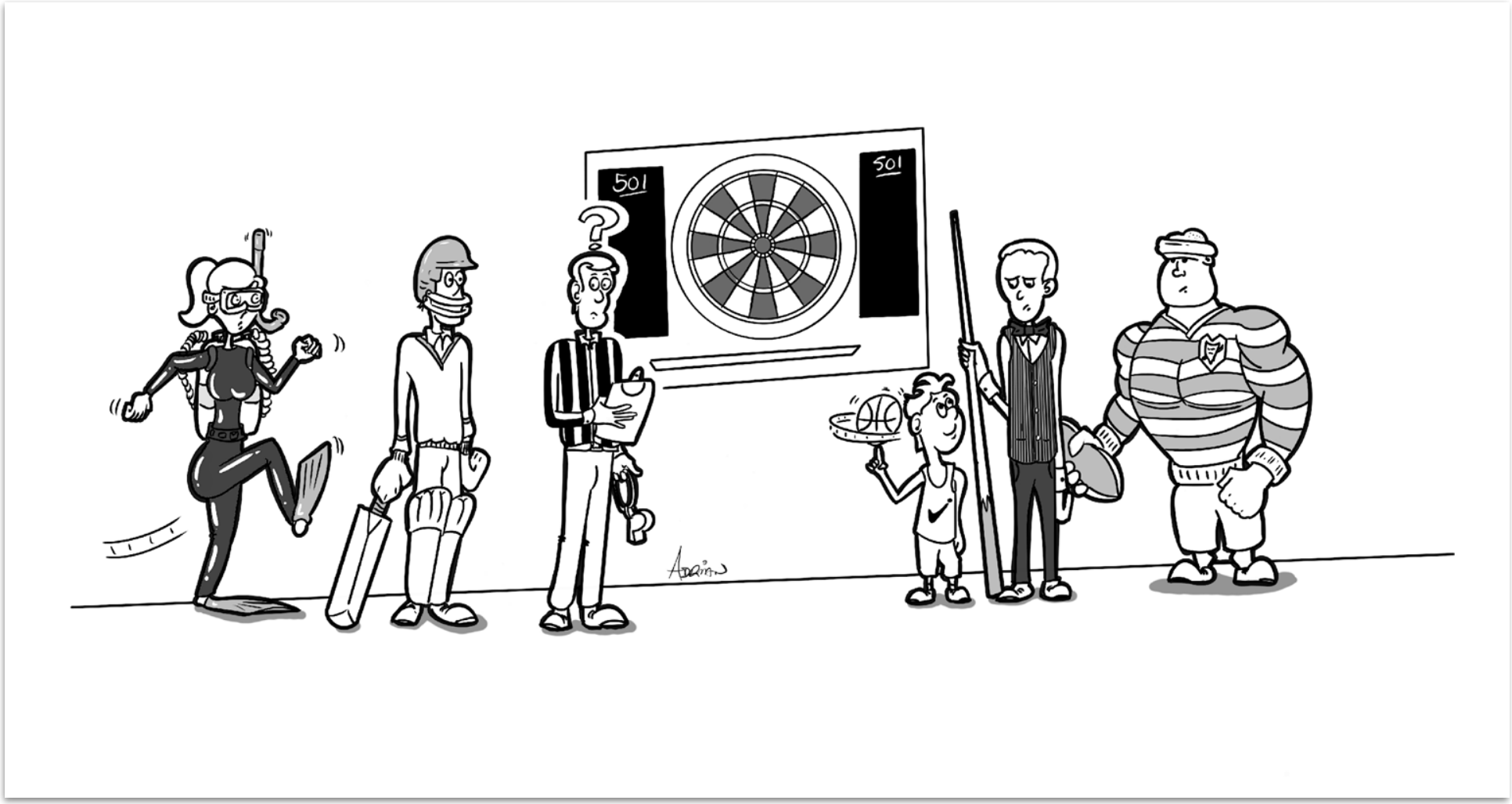
— **Inherent (gross) risk** ● the level of risk before taking into account the impact of mitigating controls

— **Residual (net) risk** ◢ the level of risk after taking into account our mitigating controls



*Risk period is the time it would for a particular risk to impact the business (also known as risk velocity)

Governance



Governance

Is data governance an integral part of the day-to-day corporate governance?

Do the different elements of governance work well together?

How can you demonstrate it works?

Governance Organisation Framework

Who, What, Where

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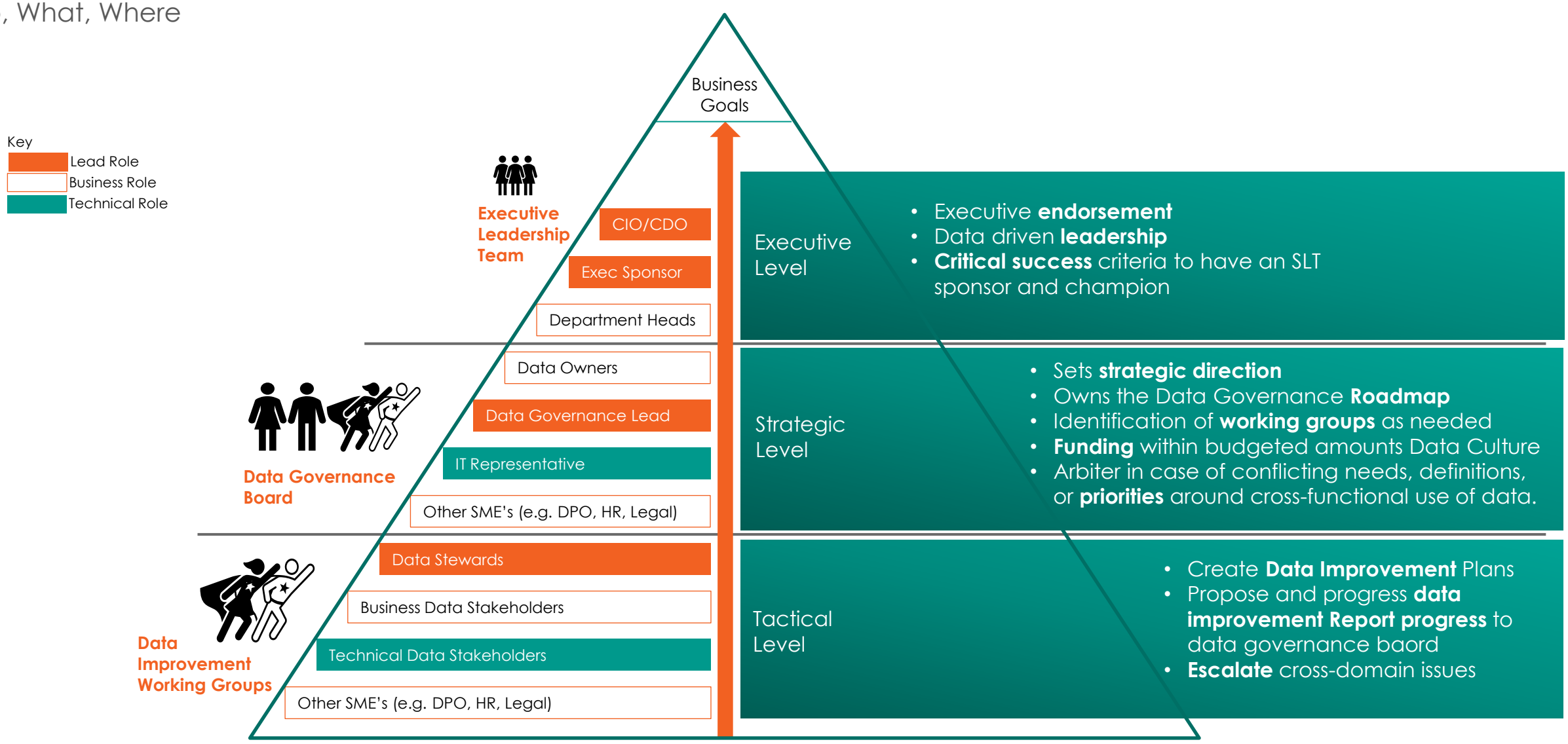

Data Governance in Practice

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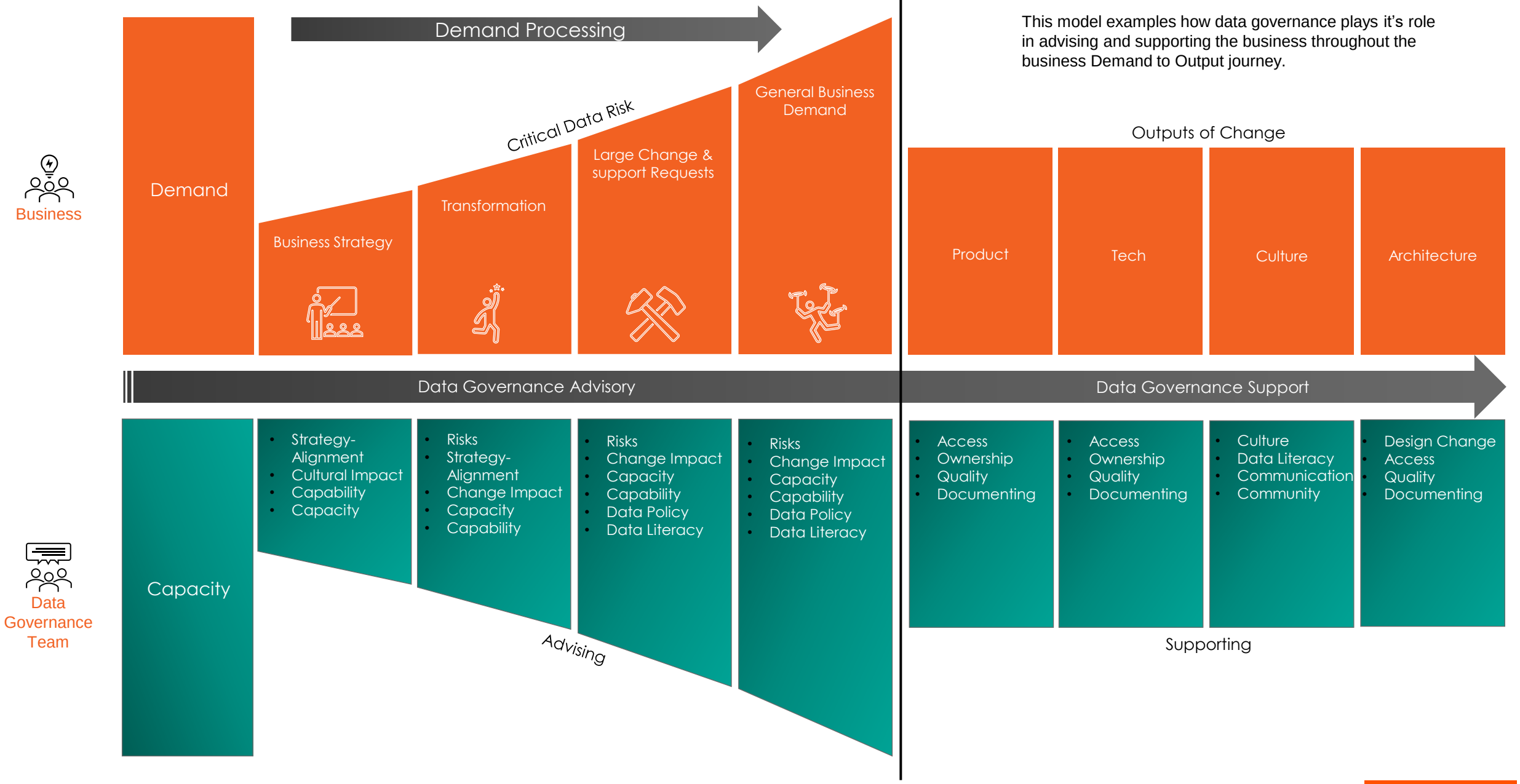
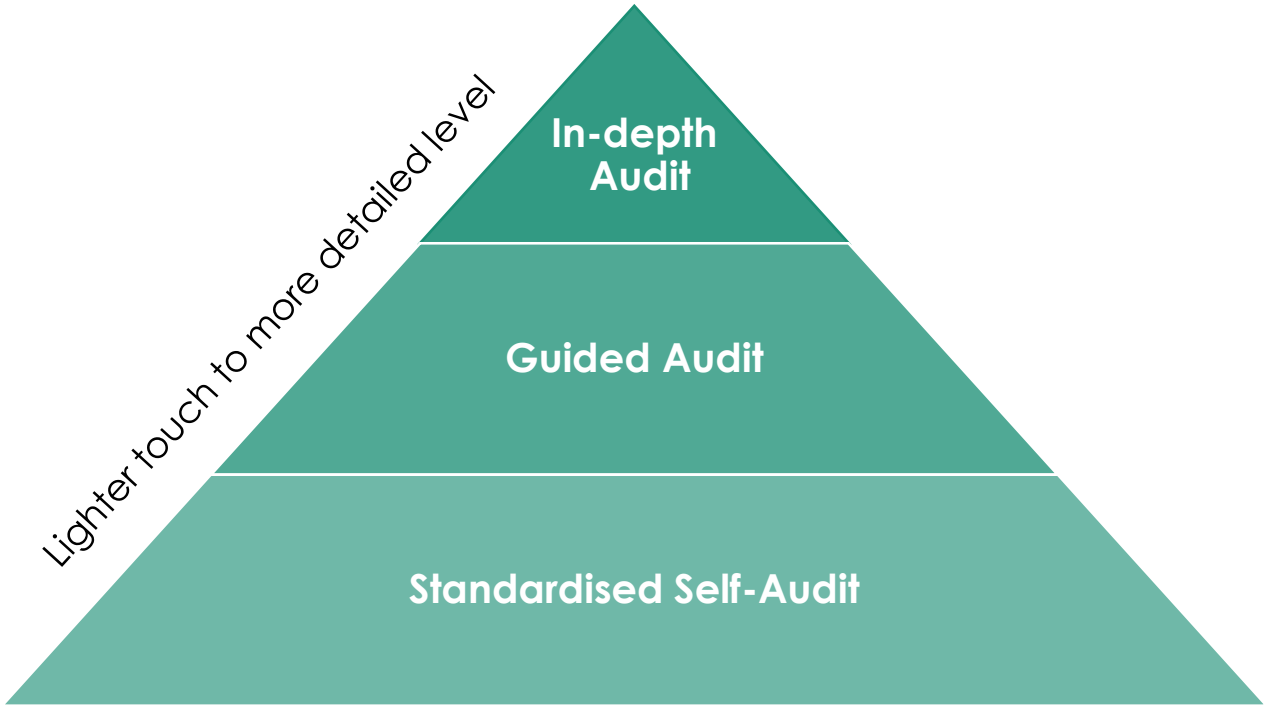
This model examples how data governance plays it's role in advising and supporting the business throughout the business Demand to Output journey.



Data Assurance Pyramid



Breadth of coverage through the organisation

Class Discussion

Next week's class

Week 6

The role of People

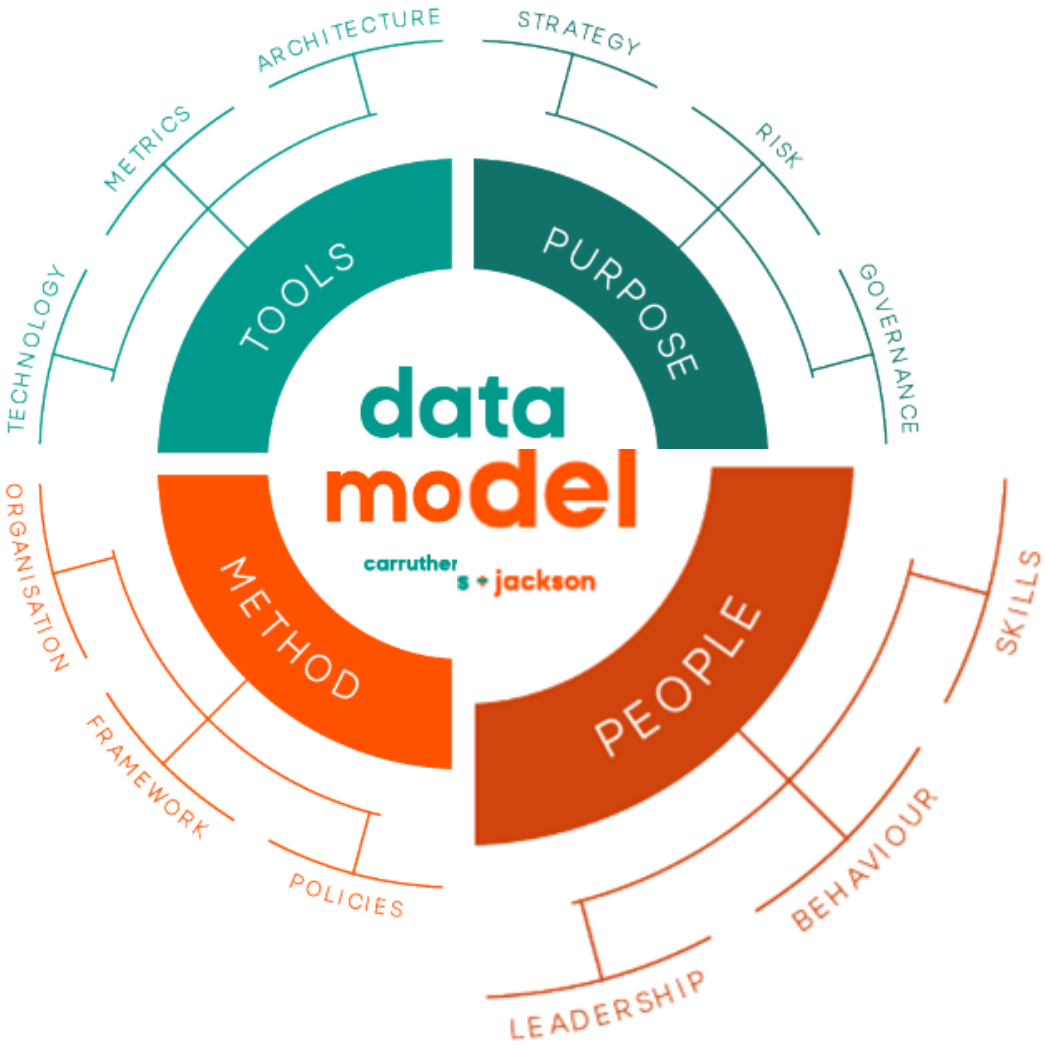
- Wednesday July 31

  08.00 PDT

  10.00 EDT

  16.00 BST

  17.00 CEST



Closing Remarks