

Linking Data to Outcome — Communicating the Value

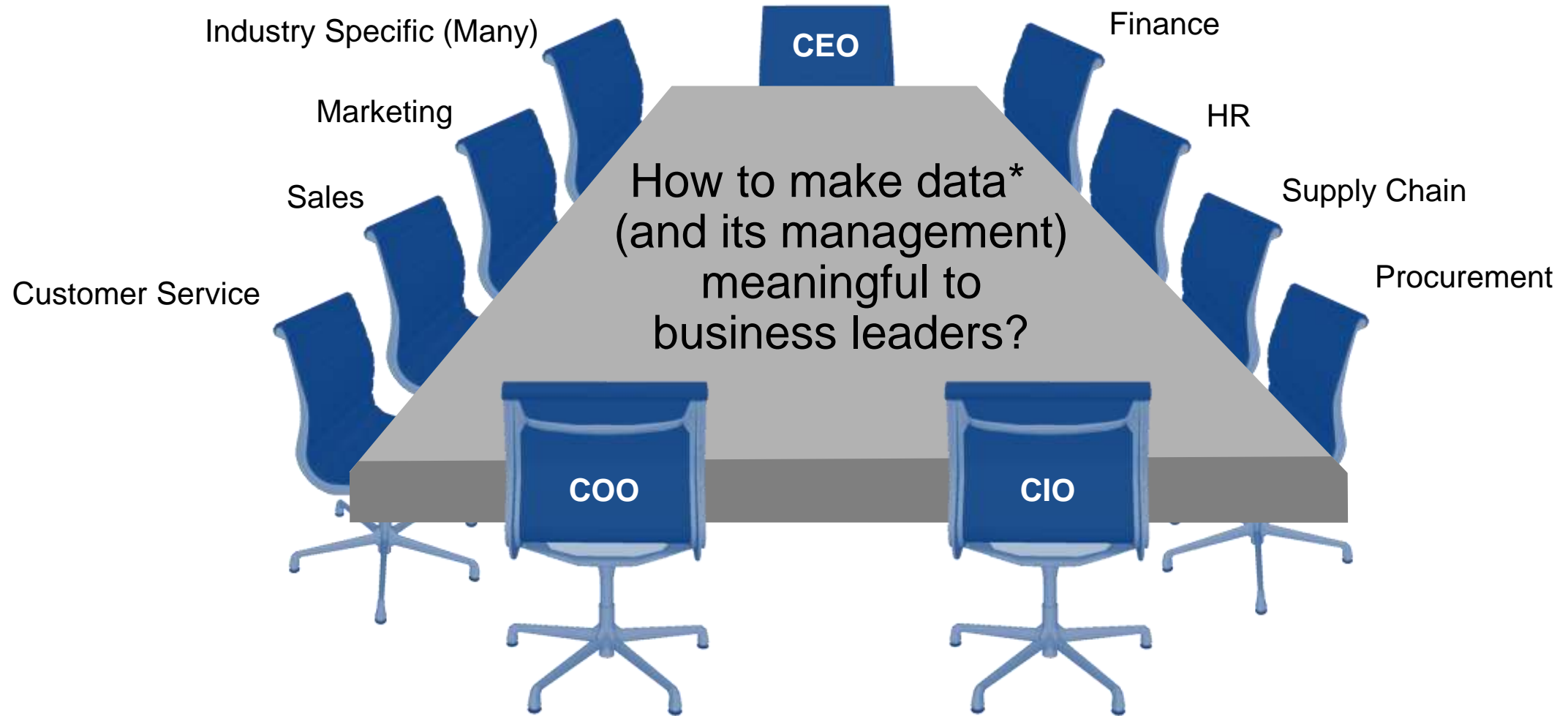
Mario Faria

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A Major Barrier — Communication (and Thus Understanding)



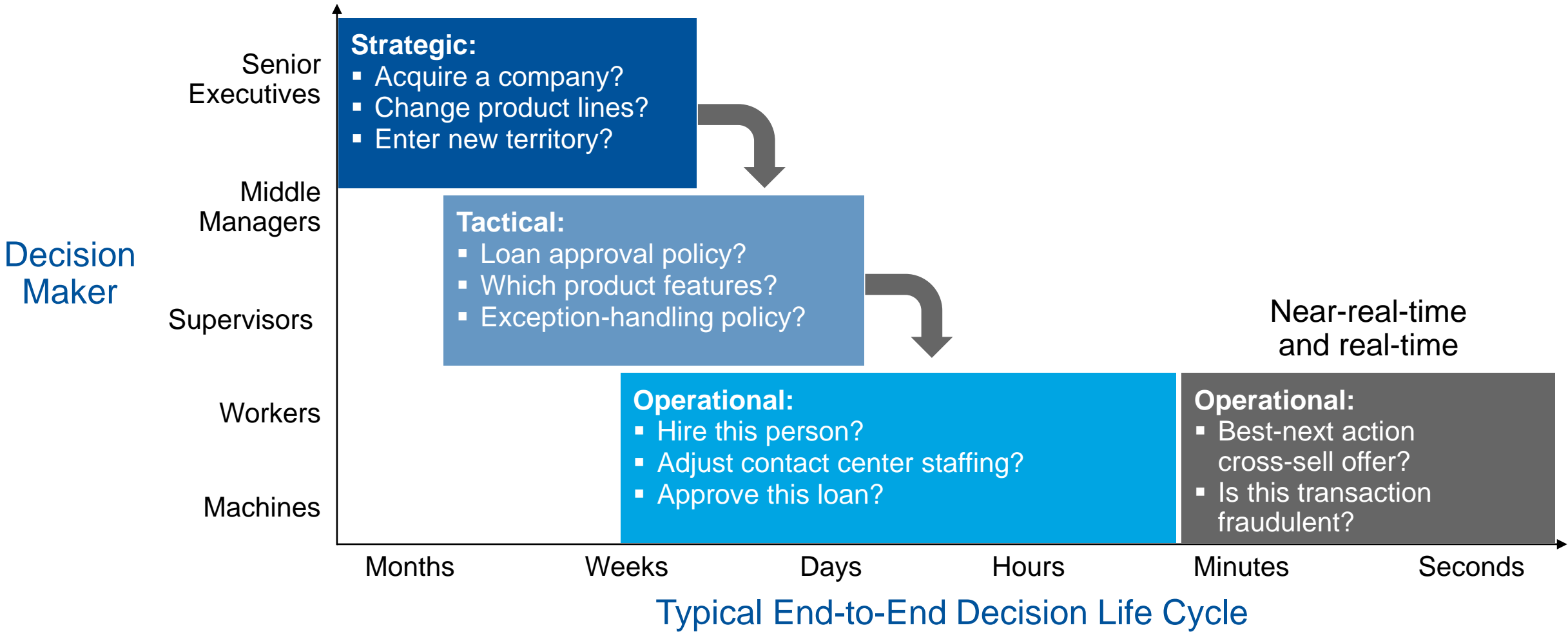
Key Issues

1. What is the role of data in improved business outcomes?
2. How to connect data to outcome?
3. What is the best practice for connecting data to outcome?

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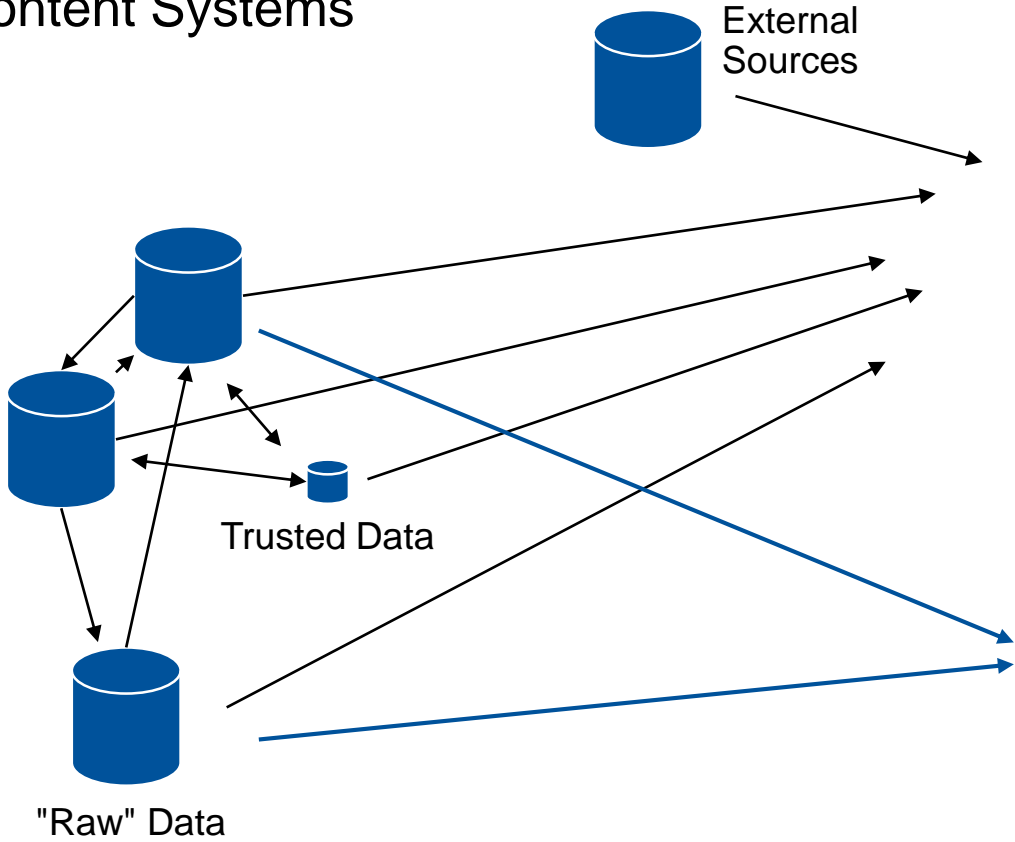
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Different Kinds of Decisions Support Your Business Outcomes



Architecting How to Service (Emerging Analytics Infrastructure Pattern)

Source Operational/
Content Systems



Discovery

Unknown Knowns
(Data Science)
Unknown Unknowns
(AI/ML)



Delivery

Known Knowns

Analytic and BI

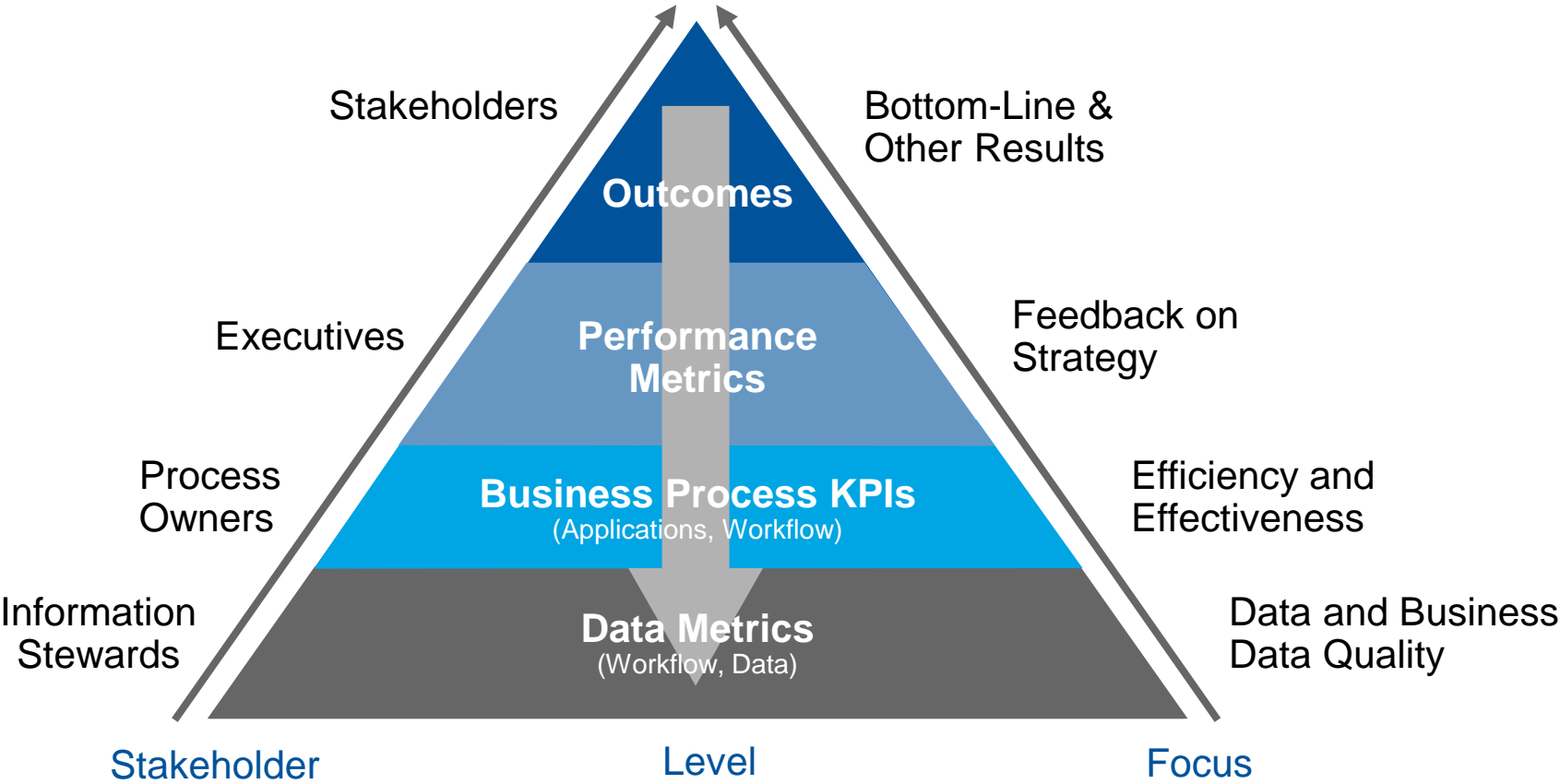
- Information Portal
- Analyst Workbench
- Data Science Lab
- Operational Intelligence

See ["Best Practices for Designing Your Data Lake"](#) (G00315546)

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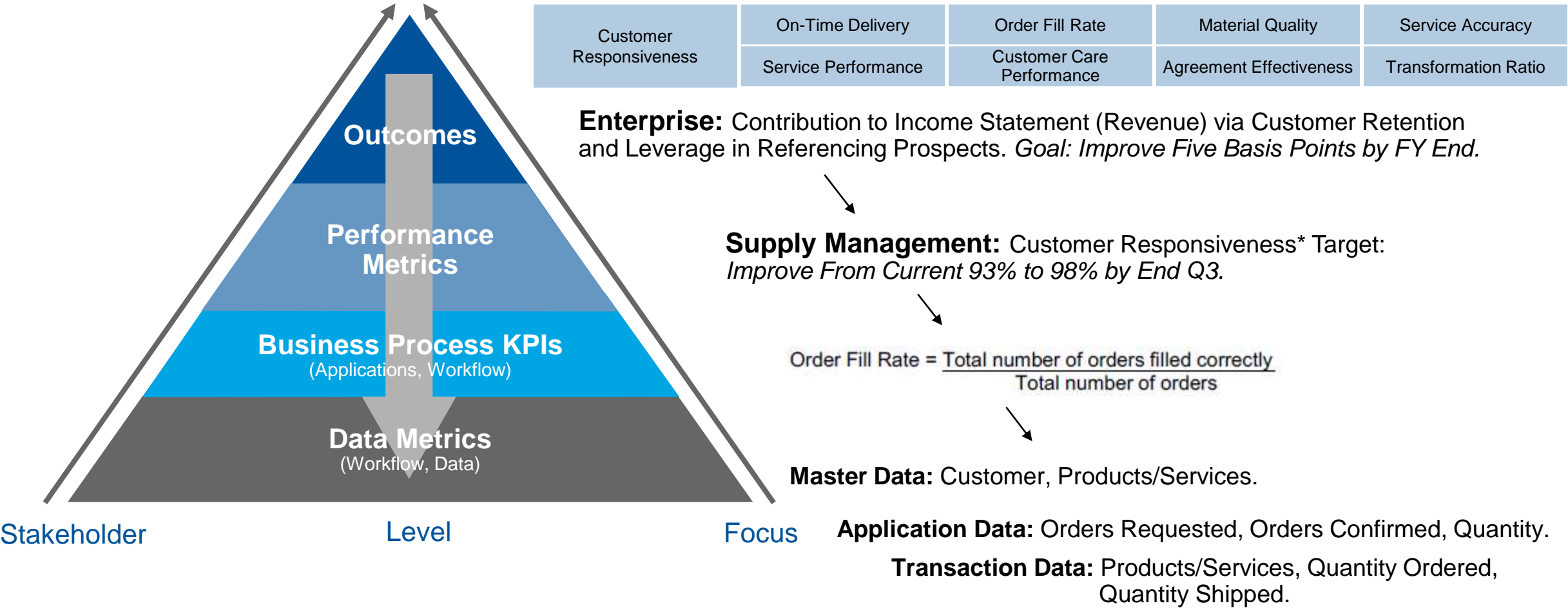
Use Metrics Framework to Relate Outcomes to Data



Make the connection to the business

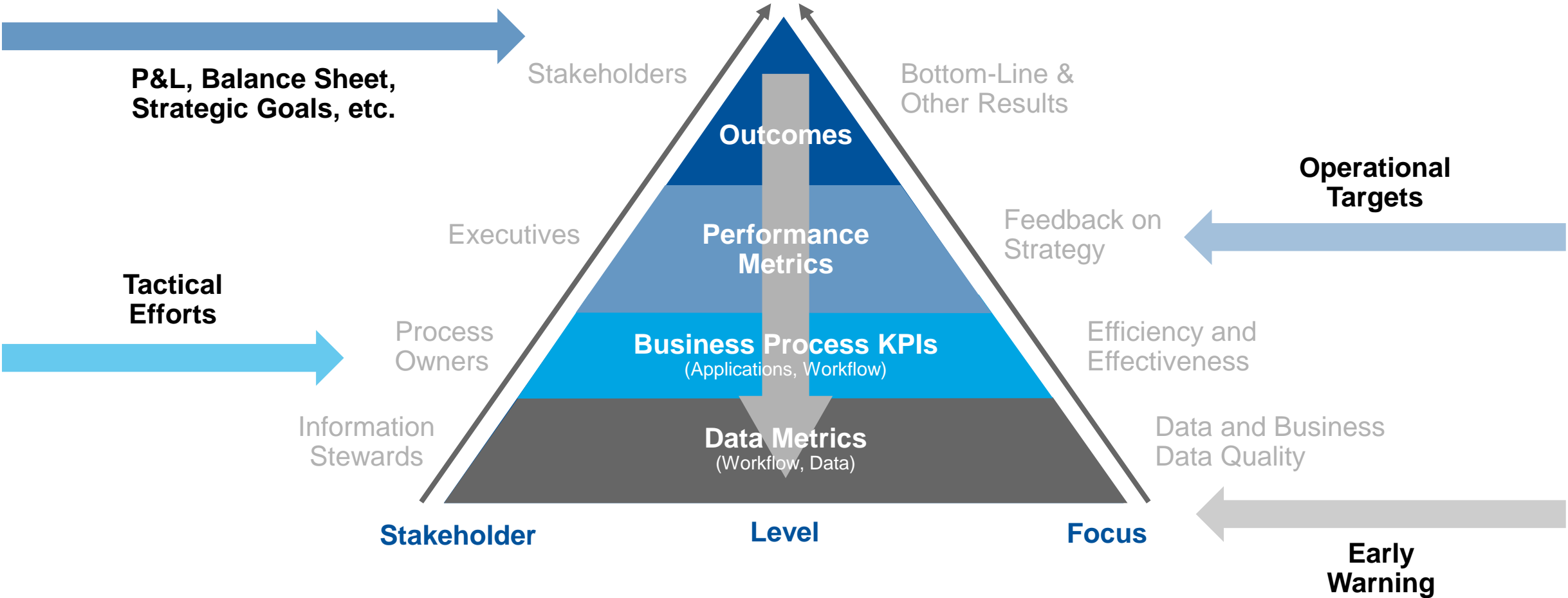
Source: ["The Gartner Business Value Model: A Framework for Measuring Business Performance"](#) (G00249947) and ["Developing Metrics for Successful Master Data Management"](#) (G00277150)

From Outcome to Data — An Example



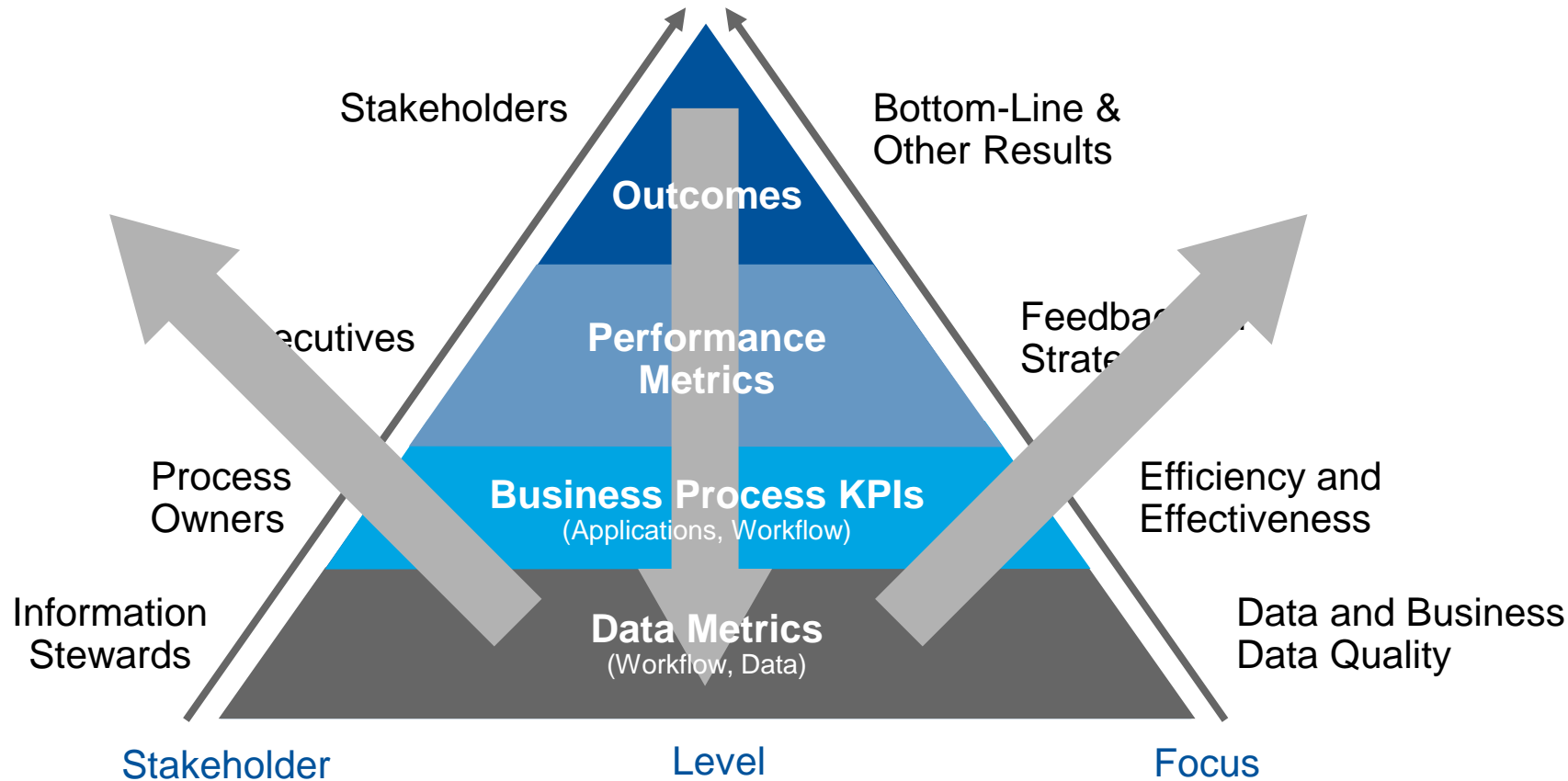
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Integrating It All and Assuring Integrity and Efficacy



Source: ["The Gartner Business Value Model: A Framework for Measuring Business Performance"](#) (G00249947) and ["Developing Metrics for Successful Master Data Management"](#) (G00277150)

Expand Focus Over Time as Data Is Reused to Drive Other Outcomes



Add a Little Data for a Lot of Additional Value (Outcomes)

Source: ["The Gartner Business Value Model: A Framework for Measuring Business Performance"](#) (G00249947) and ["Developing Metrics for Successful Master Data Management"](#) (G00277150)

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Start by Understanding How the Organization Operates

Business Processes

The Source of Leading Indicators

- Sales Process, Product Development Process
- Procurement Process, Manufacturing Process
- Market Development Process, Sales Training Process
- Planning Process, Project Management Process

Financial Metrics

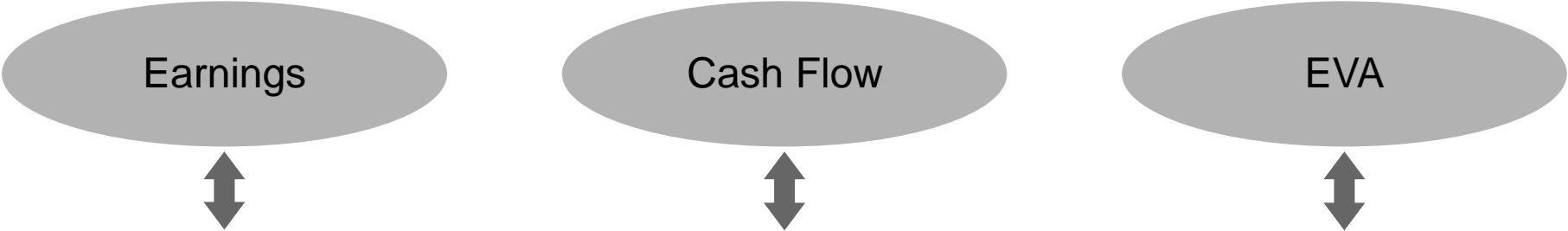
Income Statement (Millions of Dollars)

Revenue	\$1,000
Less Cost of Goods Sold	500
Gross Profit	<u>500</u>
Less Operating Expenses:	
Sales	200
Administrative	<u>200</u>
Net Income	\$100

Information supports all of these.

Extrapolate Outcomes to Performance Indicators (Leading and/or Lagging)

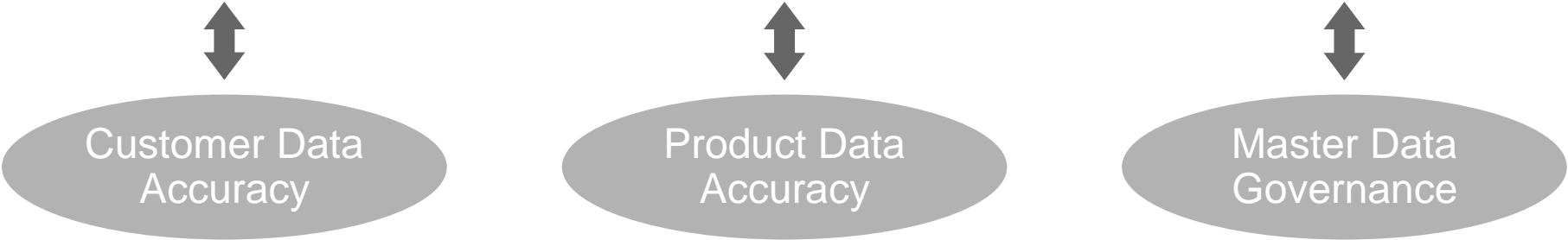
Determine Financial Results



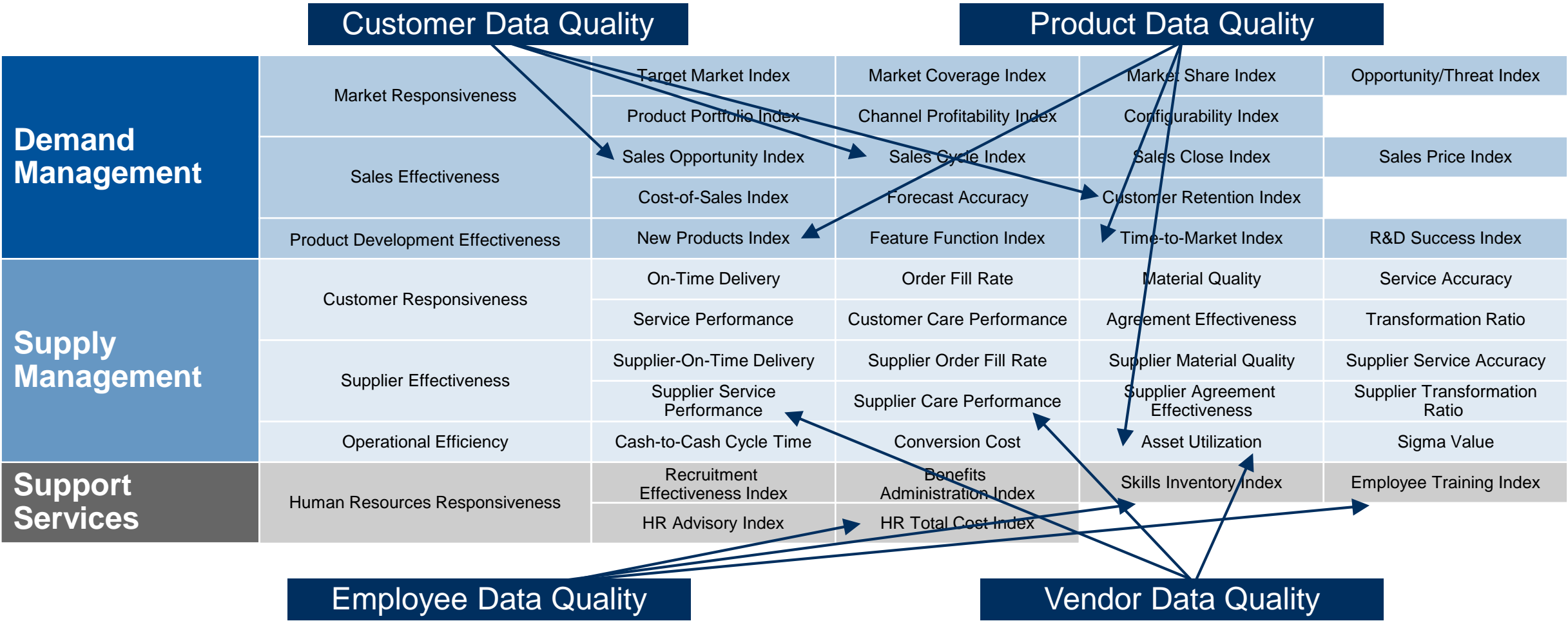
Negotiate the Level of Operational Improvement

Demand Management	Market Responsiveness	Sales Effectiveness	Product Development Effectiveness
Supply Management	Customer Responsiveness	Supplier Effectiveness	Operational Efficiency
Support Services	Human Resources Responsiveness	Information Technology Responsiveness	Finance and Regulatory Responsiveness

Identify Information Capabilities



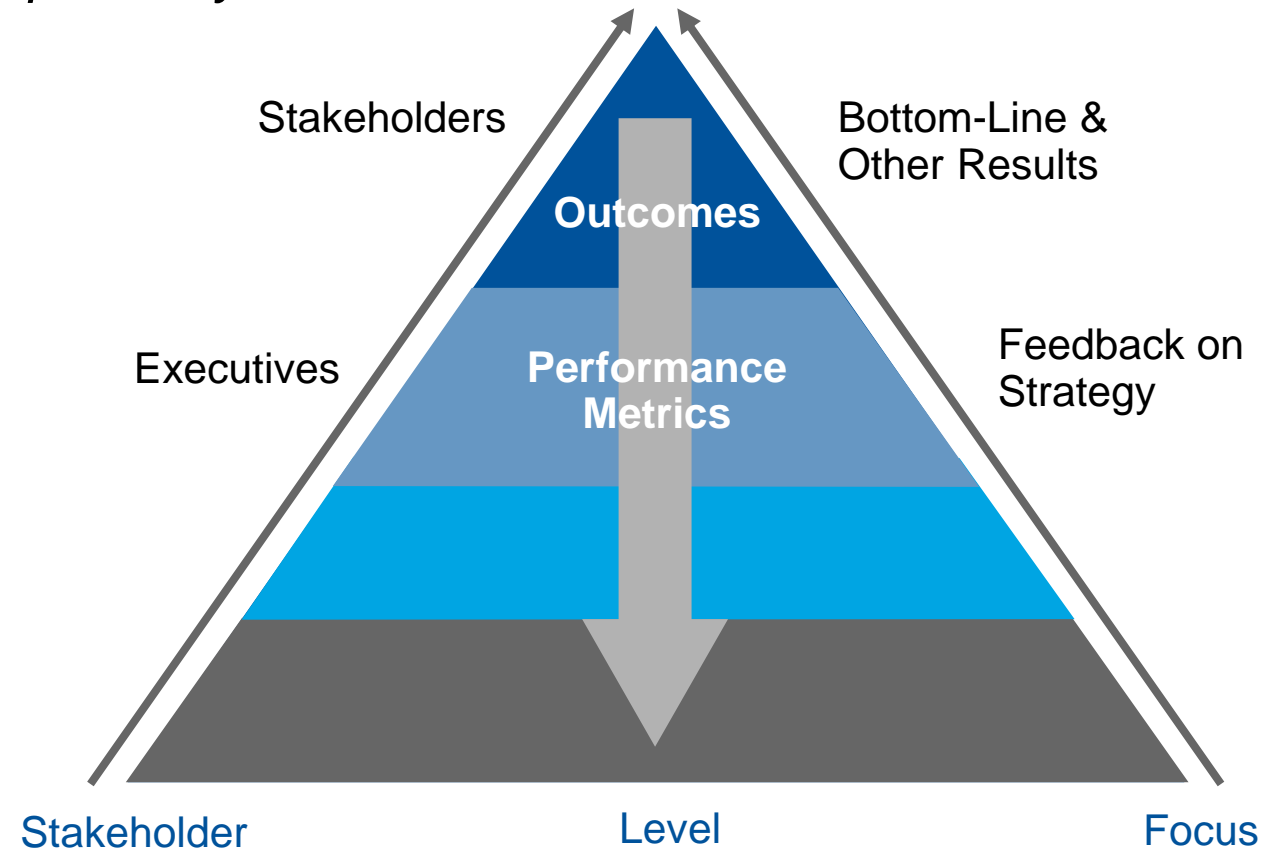
Use a Performance Framework or "Cheat Sheet"



From Outcome to Performance Goals

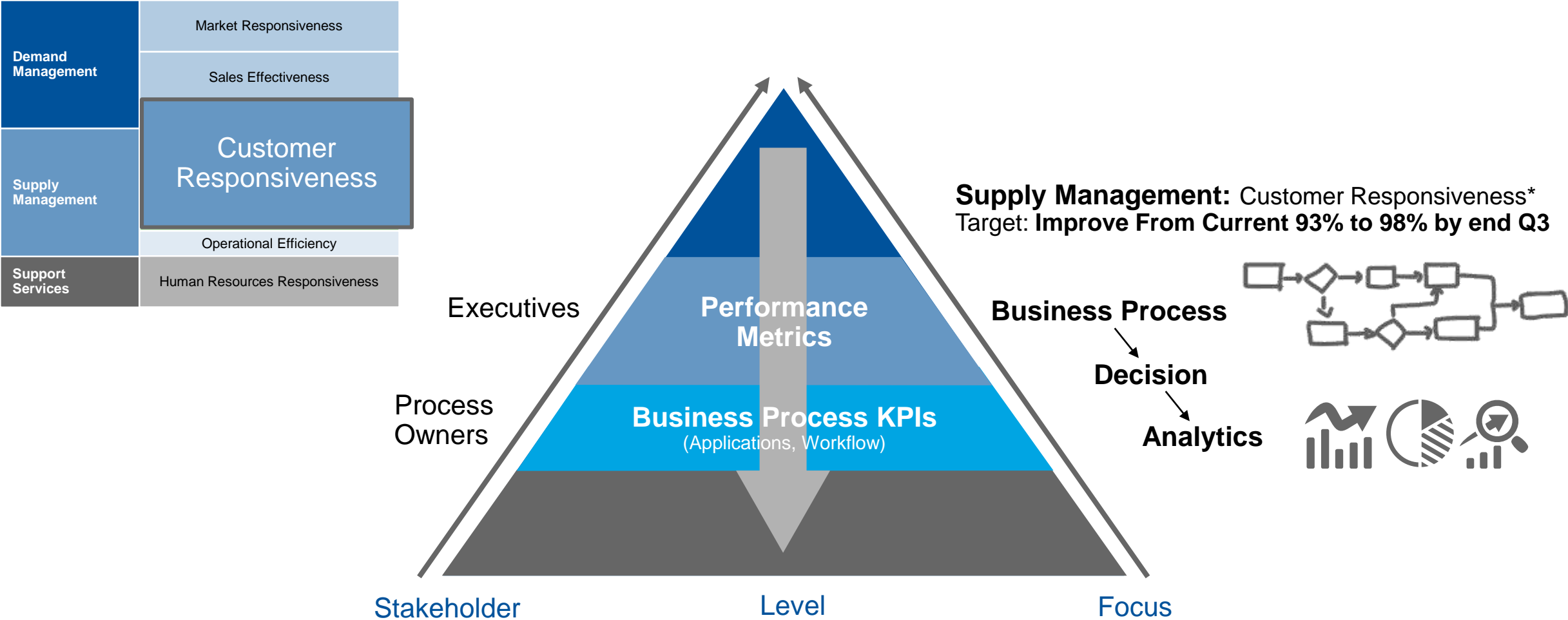
Contribution to income statement (revenue) via customer retention.
Goal: Improve five basis points by FY end.

- Business Capability
- Balance Sheet, P&L:
 - Value
 - Revenue
 - Service Level
 - Costs
 - Compliance



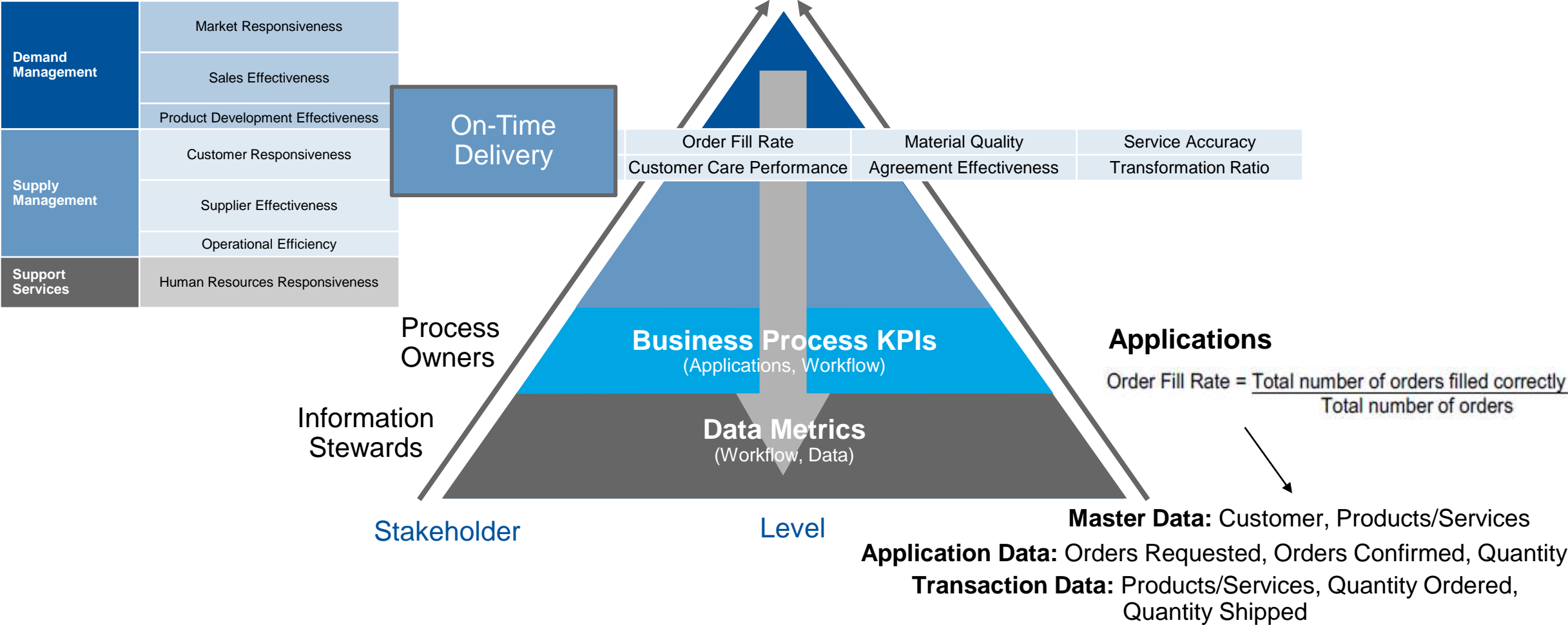
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From Performance Goals to Business Process KPIs



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From KPIs to Data

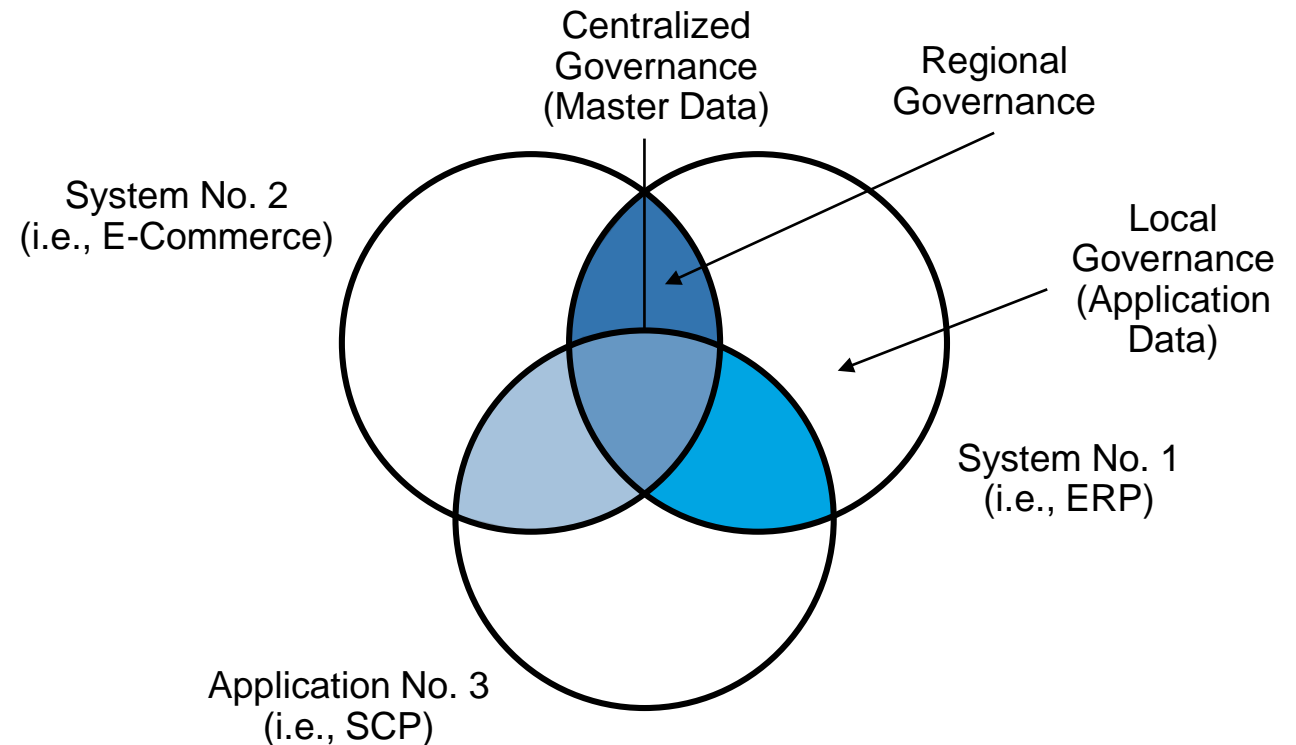
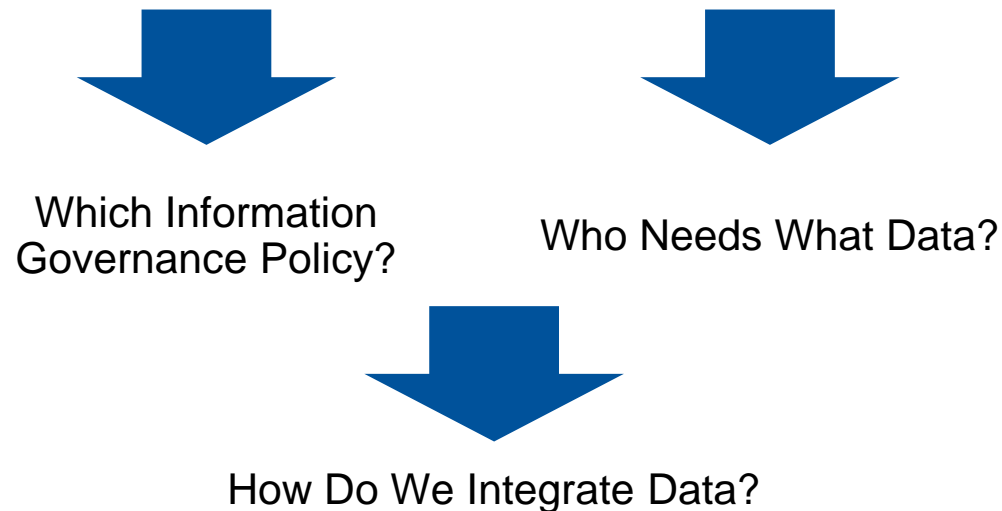


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Next Steps: With Outcome in Mind, Start Your Information Governance Efforts Here ...

In Which Zone Does Each Attribute Fall?

- **Master Data:** Customer, Products/Services
- **Application Data:** Orders Requested, Orders Confirmed, Quantity
- **Transaction Data:** Products/Services, Quantity Ordered, Quantity Shipped



See ["Pursue a Pace-Layered Information Strategy to Support Your Business Applications"](#) (G00252010)

Action Plan

Monday Morning:

- *Stop talking* about data (even though that is the focus) and *start talking* about outcomes.

Next 90 Days:

- *Identify* the most visible, most important, outcome and start here.
 - *Aim high*: Don't ask managers for outcomes, ask leaders.
 - *Pick one*: Don't seek perfection. Start with one outcome, link to date, implement change. Rinse and repeat.

Next 12 Months:

- *Embed* technique into data and analytics initiatives (via enterprise information management).

Recommended Gartner Research

- ▶ [2017 Strategic Roadmap for Enterprise Information Management](#)
Andrew White (G00325792)
- ▶ [Developing Metrics for Successful Master Data Management](#)
Andrew White and Michael Smith (G00277150)
- ▶ [Design an Effective Information Governance Strategy](#)
Andrew White and Mark A. Beyer (G00338329)
- ▶ [Data and Analytics Strategies Need More-Concrete Metrics of Success](#)
Frank Buytendijk, Ankush Jain and Others (G00297356)
- ▶ [Use a Data Hub Strategy to Meet Your Data and Analytics Governance and Sharing Requirements](#)
Andrew White and Ted Friedman (G00295309)

For information, please contact your Gartner representative.