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INDIVIDUAL ASSIGNMENT 1

**DATA DRIVEN
ORGANIZATIONS**

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1. What, in your opinion, are the key points discussed in “Your Data Strategy Needs to Include Everyone” articles by the authors? Please elaborate on the issues in your own words. You can use the discussion points used in our week 1 class.

The article titled “Your Data Strategy Needs to Include Everyone” highlights the undeniable potential of data and the need for a uniform data strategy across an organization. The power of data has been increasingly evident over the past decades, not just in applications like AI but also in fundamental analyses with smaller datasets. These analyses have consistently proven beneficial in improving decision-making and optimizing business operations. However, while the call for “data-driven cultures” is often heard, the challenge lies in implementing such cultures. Survey data indicates that only a handful of companies are data-driven.

“Data strategy should be based on baking in, instead of bolting on. After all, data would be the most important ingredient in this culinary exercise of achieving enterprise data strategy”.¹ Companies have “bolted data onto” existing organizational structures by appointing the C-suite officers and employing highly qualified data scientists, only to allow them to operate with few guidelines and little supervision.

A transformative “management paradigm” for data is needed to overcome these disappointing realities. It must define how data should contribute, showing how data integrates across the organization, and employees’ duties and responsibilities. Eventually, it needs to implement corporate culture and anything else that influences the effective use of data. This new paradigm uses a holistic approach to using data and analytics in business.

Following the footsteps of digital native firms would be the best way to recognize the importance of a data-centric approach. Unlike traditional companies, these firms extensively use analytics and AI, and data leaders do not have to preach the importance of these tools because it is an embedded element of their culture. The example of DBS Bank quoted in the article illustrates this. CEO Piyush Gupta says its future competitors are not traditional banks but digital native firms like Alibaba and Ant Financial. To compete with these companies, he believes that DBS has to manage and analyze data as well or better than they do. Many companies are in this situation, and it is essential to realize and act upon it by advancing data management and analysis.

Learning from other mainstream business functions like finance can help improve data strategy. The specialty of finance is that it has achieved the goal of becoming strategic and integrating itself with all the other functions of the organization. Collaboration between various business functions across the organization would be a significant step forward in mainstreaming data and developing good data strategies.

The solution is to get everyone involved. The issue arises when the employees without “data” titles are uncertain about their responsibilities. While data analysis has been around for a long time, the technologies themselves are intimidating. It is easy for non-technical employees to get lost in the shuffle. Data strategy is as important as the implementation of technology. Senior leaders must pull in as many regular people as possible into their data effort. Practically everyone can bring small data and basic analytics to improve performance because many regular people find small data empowering. Such efforts build skill and confidence and collectively can make a real difference. Furthermore, for many companies, data skills are the prerequisite for taking on bigger data and more advanced techniques.

Exacerbating the current situation, the urgency of including everyone in the data strategy appears to grow exponentially. Companies should manage themselves in ways that make conducting prioritized work easier. The relative lack of attention around data made sense in the past, but it makes considerably less sense today. To overcome the current situation, companies must make significant changes to the management paradigms for data soon, and their senior leaders must take steps to include everyone in the data strategy.

2. Please discuss the need for a Chief data officer or similar data-centric management role. Discuss examples or specific points that resonated well with you from the second article from above: “Why do Chief data officers have such short tenures”

“In God we trust, all others bring data,” attributed to W. Edwards Demingⁱⁱ, captures the essence of the digital age. Data is an important business asset worthy of management by a senior executiveⁱⁱⁱ. A company’s success heavily depends on its ability to “speak data” and achieving this often involves appointing a Chief Data Officer as the point of contact for all data-related queries. CDOs play a vital role in developing data literacy within the organization, driving value, and ensuring effective decision-making through data and analytics.

Understanding the volume and complexities of data can be overwhelming. In this situation, a CDO helps bring order to chaos.^{iv} When companies aim to compete with data in the long run, they must have an efficient CDO who makes data analysis meaningful and invaluable. With the help of the CDO, companies can deploy intelligence-driven decisions with properly analyzed data, giving them the confidence to venture into new projects and markets.

However, more than just data interpretation is needed. An organization requires a CDO to facilitate digital transformation by developing a solid data strategy. The CDO identifies which data is valuable to the organization, outlines efficient data management practices, and decides how to use data to add value. While ensuring the accuracy of data assets through robust data governance practices, CDOs also set up performance indicator metrics for data quality assurance. This responsibility extends to creating a blueprint for implementing the organization’s data strategy.

A CDO’s role expands further when it is needed to ensure that data is integrated seamlessly across the organization. They drive innovation and manage teams in an organization by eliminating silos. By looking for data sources and analytical methods that have the potential for profitability, CDOs stay informed about technological developments. They work with other C-suite executives to encourage an experimental culture in the organization that promotes continual development. They also oversee high-performance data teams to aid the organization’s data strategy.

A CDO is instrumental in ensuring data security and privacy^v are not compromised. They create rules and practices for data security, reducing security threats and ensuring compliance. A CDO also helps set up data access and authentication procedures to ensure that only authorized individuals can access sensitive data. Another business area handled by the CDO is cost optimization. By finding areas where expenses can be decreased, a CDO can assist an organization in streamlining its costs.

Other scenarios in an organization that need a CDO are when data is mismanaged^{vi}, data accountability is uneven, or when a data-driven culture has to be created. Enterprise data and marketing analytics assets are the responsibility of the CDO, and he or she is responsible for managing and monetizing their value internally and externally.

Despite its capability, one of the most volatile C-suite jobs is the Chief Data Officer. A CDO is held accountable for achieving transformational change in a short time period, which is tough to achieve given that data transformation is typically a multi-year process. The job is often poorly defined^{vii}, and too much is expected of the CDOs due to unclear priorities. A more straightforward definition of the role and a focus on business rather than technology can help stabilize the role. Moreover, while CDOs may have data expertise, they also need C-suite experience at the senior executive level. Surveys show little improvement in the percentage of data-driven companies over the past decade.

Once the priorities are clearly defined, the CDO can help build data assets and management approaches to ensure the organization can achieve its goals. An outcome of that process is a data platform to ingest and transform data that serves business-prioritized situations and an ecosystem for democratized data using business intelligence toolsets. Thankfully, the growth of the CDO role in large firms has increased in recent years. In the 2021 NewVantage Partners survey of data-intensive firms, 65% said they had a chief data officer in place. This upward trend in adopting the CDO role suggests the acknowledgment of its increasing importance for organizational success in the business world.

3. Why, in your opinion, do organizations fail to achieve the data goals in the organization? Describe the top three factors impacting data initiatives.

In recent years, becoming “data-driven” has become a common goal for every organization across the corporate landscape because data is the backbone for strategizing and innovation. Although many organizations invest heavily in data initiatives, an alarming number fail to achieve their data goals. The progress toward data-oriented goals is extremely slow and the factors that impact data initiatives in organizations need to be addressed.

Resistance to change is a significant barrier for most organizations. Employees might be reluctant to adopt data-driven approaches. Bridging the cultural divide is about overcoming the resistance that prevents companies from harnessing the power of data. For a data initiative to succeed, it needs to be embraced throughout the organization. Based on the NewVantage Partners’ 2019 Big Data and AI Executive Survey, a staggering 77% of executives acknowledged that the adoption of data initiatives presented a significant challenge. Nearly 40.3% of executives identified the lack of organizational alignment, while 24% pointed to cultural resistance as the key inhibitor.^{viii} To overcome the difficulty of cultural change, it is important to conduct training sessions that improve the necessary skills to improve the company’s data initiatives.

Secondly, the absence of a coherent data strategy and vision stands as a significant hurdle to the success of data initiatives. Many organizations collect data without setting clear objectives, so it can be challenging to use data effectively. Identifying what the organization wants to achieve with its data is essential to avoid disarray and inefficiency. A solid data strategy should outline what the organization aims to achieve with the data and how it aligns with the broader business strategy. The long-term ambition of a data-driven culture is often put on hold in favor of short-term financial aims and technology, which sidelines strategic

alignment. These days, organizations are cautious of transformative processes due to failed attempts. To avoid this skepticism, they must adopt a clear data strategy.

Inadequate data quality and poor management are other factors affecting data initiatives. Stale data, which includes missing data, inconsistencies, or outdated information, can obstruct the utility of the data, leading to misguided decisions. Beyond data quality, data management, which is how data is stored, accessed, and shared, also plays a crucial role. Without proper data governance and management structures, even high-quality data can become difficult to leverage effectively. Ensuring data quality and data management can be achieved through data cleansing and standardization.

As the amount of data continues to increase, strategic decisions continue to be superior to intuitive-based decisions. Despite companies investing in big data, the need for a data-driven culture is now more than ever. To face these challenges, companies must reduce cultural barriers, define a clear data objective, and focus on data quality. They must address the human aspect of data-driven transformation because becoming data-centric is as much about people and culture as technology.

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