

Guide 2 of 5

# Prioritizing Data and Analytics Around Value

Guides for Effective Business Decision Making

**By 2025,**

chief data officers (CDOs) who establish value-stream-based collaboration will significantly outperform their peers in driving cross-functional collaboration and value creation.

Source: Gartner

Organizations seeking to drive decisions with data first need a data and analytics (D&A) strategy and operating model able to conceive data-driven business opportunities.

Those opportunities include identifying and prioritizing decisions to improve through applying decision intelligence practices, such as decision modeling, and using technologies like data fabric, analytics and artificial intelligence (AI).

But to optimize decision-making processes and the D&A ecosystem that enables them, you'll need to establish a clear connection between D&A and business value creation. You can't succeed if you treat D&A as supportive and secondary to business initiatives.

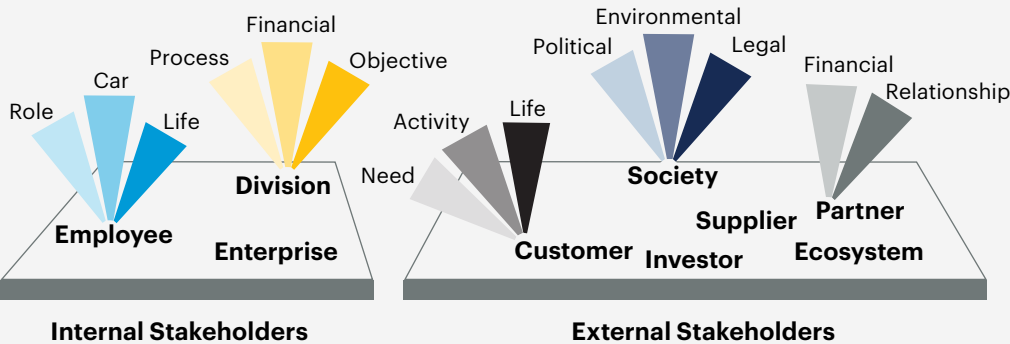
But prioritizing D&A initiatives around business value can be challenging in practice. An effective data-driven enterprise grounds strategy and operations in an agreed-upon value proposition, with a vision that relates D&A to the organization's business purpose, preferably expressed in terms of customer value.



**Pieter den Hamer**  
Senior Director Analyst

**Types of Stakeholder Outcomes to Explore**

Prioritizing D&A initiatives today means collaboratively identifying the goals and performance indicators to improve upon, or even transform, based on stakeholder goals and, in particular, the unmet needs that are brand-new business opportunities.



Source: Gartner

## How to Use This Guide

### 1 Prepare

Be explicit about the D&A value proposition and the intent to enable better decisions.

### 2 Establish

Position decision improvement as an opportunity for D&A to generate value.

### 3 Engage

Invest in the D&A strategy and operating model to deliver on the value proposition.

### 4 Tips for Delivery

Exploit value stream management to enhance D&A's value delivery.

## Prepare

# Be Explicit About the D&A Value Proposition and the Intent to Enable Better Decisions

## Three Basic D&A Value Propositions

These three do not represent a maturity curve. All three are equally capable of delivering business value, and the coexistence of multiple types of value proposition within a single organization is not only likely but preferable.

### Utility

Our data and analytics should be instantly available to all, for all purposes — like a **utility**.

Success measures relate to service level agreement management, such as:

- What is the availability of the platform?
- Is it quick and easy to access the available data, for a variety of purposes?
- How long does it take to add a new data source or data access API?

### Enabler

With data and analytics we **enable the business** to make the right decisions every day.

Success measures relate to business KPIs, such as:

- How much did the conversion rate improve after implementing a new campaign management analytics tool?
- How much money are we saving because of Internet of Things (IoT) data and analytics?
- How much money are we saving because of improved fraud detection algorithms?

### Driver

We want D&A to **drive the business**. Without D&A we are blind and see no opportunity.

Success measures relate to innovation, such as:

- What is the split between discovery exercises that lead to no new insights, that lead to optimization insights and that lead to transformative insights (e.g., 50%:40%:10%)?
- How much new revenue (through new D&A-enabled products and services) is being generated by D&A initiatives?
- How many discovery exercises for a specific business function are follow-up or repeat activities, instead of one-off exercises?

## Establish

# Decision Improvement Is One Opportunity for D&A to Generate Value

### 1 Business Partner Enablement

Understand and articulate how advanced analytics can help solve business problems. Encourage business partners to proactively reach out with opportunities for value creation by teaching them what exactly advanced analytics can do for them.

### 2 People, Process and Technology

Design information-driven business strategies across people, process and technology to provide senior leadership with a clear and compelling case for investing in information to enable the highest-priority business capabilities.

### 3 Business Decision Improvement

Move business architecture into “decision architecture,” and help organizations understand and implement changes. Find opportunities to use data to reengineer decisions to improve outcomes.

### 4 Business Process Improvement

Connect specific opportunities to strategy and value by adopting an enterprisewide view of business processes.

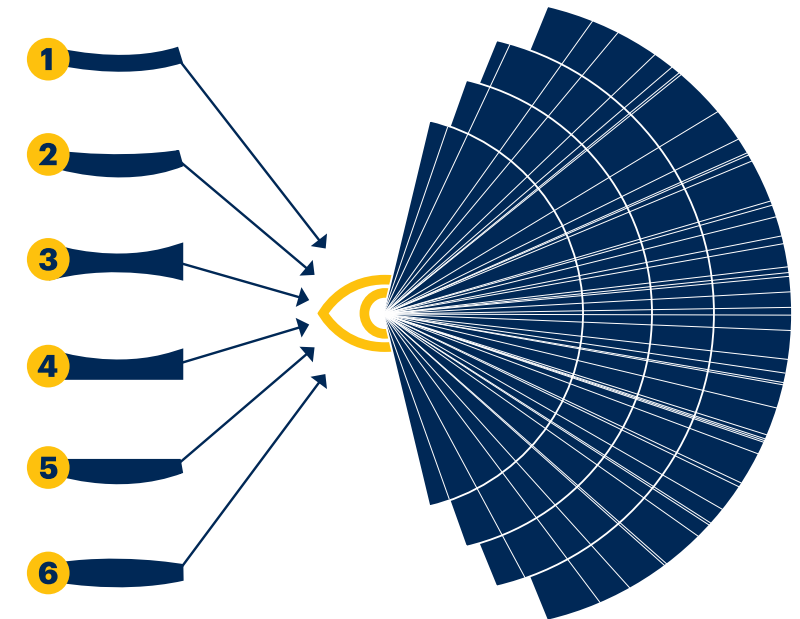
### 5 Data Consumption

Identify opportunities to innovative new potential data products and services and extract value from enterprise data by analyzing data consumption.

### 6 Customer Journey Map

Identify improvement opportunities by looking across silos and seeing the whole picture for improvement opportunities. Journey mapping is a popular method for ensuring a seamless end-to-end customer experience, and D&A leaders can adapt it to identify data-related issues with that experience.

## Apply Different Lenses to See Different Opportunities for Value Creation



Source: Gartner

## Engage

# Invest in the D&A Strategy and Operating Model

Having worked with business stakeholders to identify, prioritize and select the D&A value proposition, you need to collectively align the required D&A investments — including data, analytics and technology, organizational, infrastructure and go-to-market capabilities.

Using a framework like the Gartner Risk, Opportunity, Appetite, Return (ROAR) Model helps you to assess critical success contributors and inhibitors (risks), and identify the capability gaps your strategy, operating model and roadmap must fill to realize the expected value.

Use insight from the ROAR Model Assessment to refine your data and analytics strategy and operating model with specific priorities and dependencies to address the identified gaps. This will increase the likelihood of successfully delivering the intended business value, for example of initiatives designed to reengineer business decisions.

The aim is to optimize the combination of D&A initiatives to ensure the portfolio delivers the highest net business value per dollar spent for your strategic business focus and for a given investment level.

### Gartner resources: The Gartner Risk, Opportunity, Appetite, Return Model

The Gartner ROAR Model provides a systematic approach that enables executive leaders to align data and analytics investments with business priorities, assess their business value and risk, and guide investment decisions.

## Data and Analytics Strategy and Operating Model



### ROAR: Risk, Opportunity, Appetite, Return



Source: Gartner

## Tips for Delivery

# Exploit Value Stream Management to Enhance D&A's Value Delivery

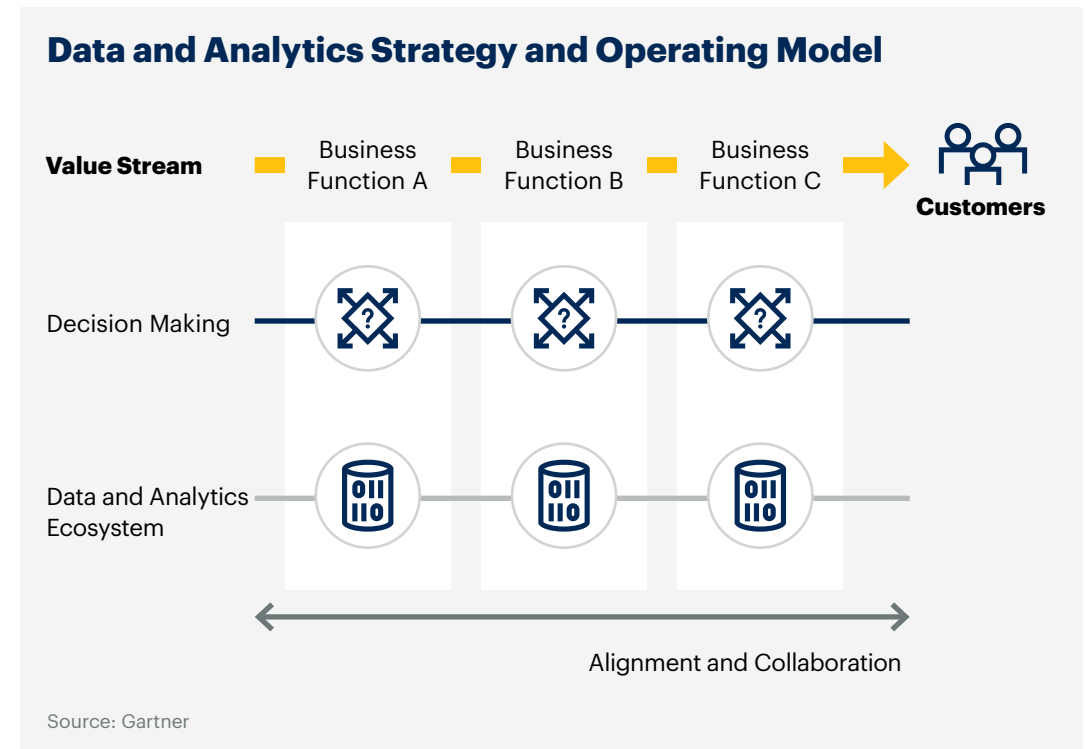
Many D&A organizational models are structured for function optimization but lack the cross-functional alignment and collaboration needed for true D&A value creation.

A value-stream-mapping process enables organizations to visualize value streams (from the business to D&A and technology), understand the contributions to the flow of value and identify what requires improvement.

The optimization of these value streams requires alignment and collaboration between business functions toward the common purpose of delivering value to customers.

For D&A leaders, the focus is: a) the business decision-making processes, and b) the underlying D&A ecosystem enabling decisions.

As part of their D&A strategy and operating model, they can help optimize these two areas to improve the flow of value to customers and establish a clear connection between D&A and business value creation.





# Actionable, objective insight

Explore these additional complimentary resources and tools to make better business decisions.

## Roadmap

### Enhance Your Roadmap for Data and Analytics Governance

Set the right governance foundation.

## Webinar

### Data & Analytics Series: Modernize Your Data Strategy to Achieve Digital Success

Connect the strategy to your operating model.

## Resource Hub

### Chief Data Officer to Build Data & Analytics Leadership Traits

Create competitive advantage through D&A.

## Roadmap

### The IT Roadmap for Data and Analytics

Follow D&A best practices to create a strategy.

This guide is part of the **Effective Decision Making Series**. You can access other guides in this series to continue **improving how your business makes decisions and learn:**

- Which decisions to reengineer and why
- When to augment decisions with AI
- What role data fabric will play in your data management
- Incorporating the right skills and capabilities in your D&A organization

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