

Complete Your Data and Analytics Strategy With a Clear Value Proposition

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27 April 2020

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Refreshed 4 August 2021, Published 27 April 2020 - ID G00722265 - 12 min read

FOUNDATIONAL This research is reviewed periodically for accuracy.

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Initiatives: [Data and Analytics Strategies](#)

As a data and analytics leader, one of the most important things to articulate in your strategy is the value proposition. To help drive business value and innovation, ensure all stakeholders agree where data and analytics is a utility, a business enabler or a business driver.

Additional Perspectives

- [Summary Translation: Complete Your Data and Analytics Strategy With a Clear Value Proposition](#)
(11 January 2021)

More on This Topic

This is part of an in-depth collection of research. See the collection:

- [Roadmap for Data Literacy and Data-Driven Business Transformation: A Gartner Trend Insight Report](#)

Overview

Key Challenges

- Most data and analytics (D&A) strategies define goals and discuss a roadmap but lack an explicit description of their value proposition(s), a value proposition being a promise of value to be delivered, communicated and acknowledged. As a result, the implicit interpretations of stakeholders may differ from yours as a D&A leader. This could lead to differing expectations which, in turn, could undermine the achievement of business results.
- D&A leaders must be able to cater to multiple value propositions, because, in most organizations, multiple types of value are required.

Recommendations

D&A leaders, including chief data officers, wanting their D&A strategy to generate business value and drive innovation should:

- Put their D&A value proposition(s) at the forefront of their D&A strategy and emphasize it (or them) at every opportunity. Every team member and every stakeholder should be able to articulate the appropriate value proposition instantly.
- Create common ground between stakeholders, so that everyone has the same expectations regarding the value proposition(s) in terms of delivering and supporting D&A.
- Use their value proposition(s) to evaluate and drive the operating model for D&A by applying it (or them) to D&A governance, delivery model, funding and architecture.

Introduction

The goal of any business activity is to create value — value for customers, value for the organization and, increasingly, value for society. Consequently, any business activity that delivers its value only implicitly is prone to scrutiny. This applies to D&A as much as to other activities. Every D&A strategy therefore needs to state its value proposition(s) explicitly.

A value proposition is a “promise of value to be delivered, communicated and acknowledged.”¹ It means that both the party delivering that value — in this case, the D&A leader and his or her organization — and the stakeholders must have the same understanding.

D&A initiatives are not necessarily self-evident. Nor does everybody in an organization necessarily have the same vision for what the role of D&A should be in the business. This situation often leads to differing expectations. Most of these expectations are implicit, being things we just happen to believe or take at face value.

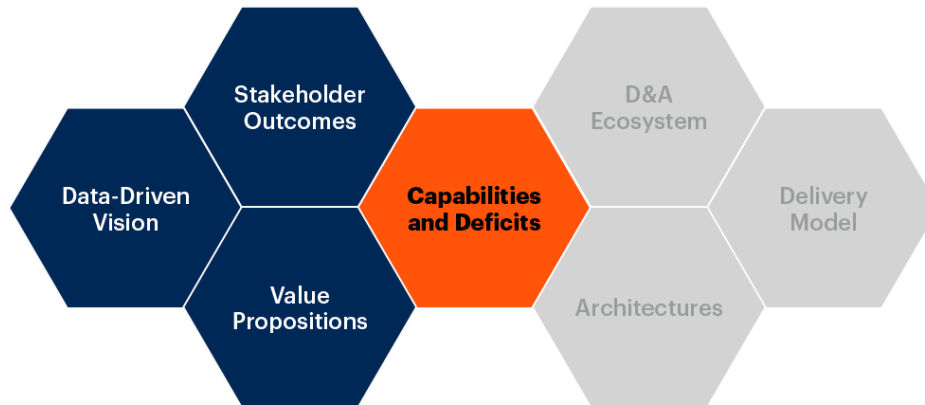
A value proposition is a core component of a modern, actionable D&A strategy (see [“How to Craft a Modern, Actionable Data and Analytics Strategy That Delivers Business Outcomes”](#)). The four core components are as follows (see also Figure 1):

- Data-driven vision
- Overview of stakeholders and outcomes

- Value proposition(s)
- Assessment of capabilities and deficits

Figure 1: Core Components of a Data and Analytics Strategy

Elements of a D&A Strategy



Source: Gartner
ID: 722265_C

Gartner.

Analysis

Put Your D&A Value Proposition(s) at the Forefront of Your D&A Strategy

As a D&A leader, you should ensure that your value proposition is explicit, and that all stakeholders have the same understanding of it. A D&A value proposition that does the following will pave the way to success for multiple parts of a business:

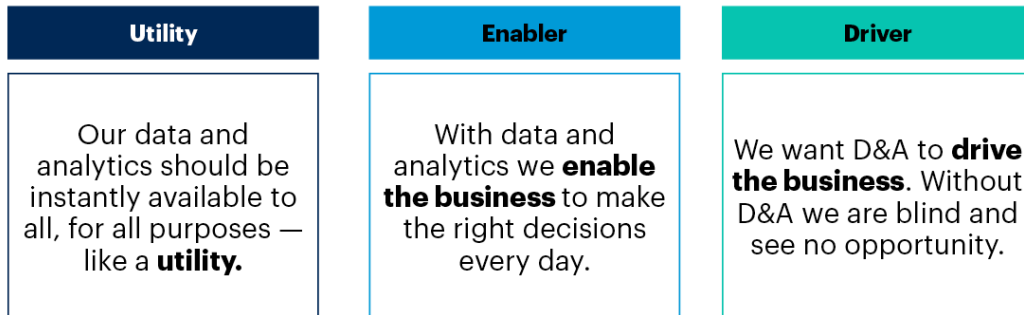
- Guides the right operating model — one that suits the organization and leads to the right targets and objectives.
- Avoids conflict, which typically arises from divergent expectations or misunderstandings.

Three basic types of value proposition are common in the field of D&A (see also Figure 2):

- D&A as a utility
- D&A as an enabler
- D&A as a driver

Figure 2: Three Value Propositions for Data and Analytics

Three Value Propositions for D&A



Source: Gartner
ID: 722265_C

Gartner

D&A as a Utility

This is D&A as a generic capability. It should be available to all stakeholders, all requirements and all kinds of data, at all times. You are primarily delivering a platform that is “always on.”

This kind of value proposition could be a pledge such as:

We believe D&A offers the most value for you as a generic platform, one that gives you access to all the types of data you believe are necessary to improve your business, in any way you deem usable. We commit ourselves to ensuring this platform is always available and on continuously, and to adding further data sources to it. If the data isn't there today, it will be tomorrow!

Measures of success of this value proposition — your key performance indicators (KPIs) — relate to SLA management. For instance:

- 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?

D&A as an Enabler

This is D&A that is always aimed at a specific business goal. Secondary value should come from reusing D&A technology for other business purposes. You are primarily delivering specific solutions that are “spot on.”

This kind of value proposition could be expressed as follows:

We are your D&A business partners for all your D&A needs. We aim to understand the business inside-out and to provide fit-for-purpose business solutions to improve the business. We commit ourselves to concrete improvement of your business performance through the use of D&A.

Measures of success for this value proposition relate to business KPIs. For instance:

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

D&A as a Driver

This is D&A as a means of achieving new business goals. New tools can uncover new insights and new data types can lead to new business questions; both drive new business ideas and revenue sources. You are primarily delivering new insights.

This value proposition could be described as a commitment such as:

We believe that D&A is at the heart of our organization's innovation. We are here to continuously equip you with new insights into how to improve the business, based on a variety of data and analytical techniques, in such a way that they can be implemented directly. We commit to offering you the latest D&A technology and techniques.

Measures of success for this value proposition relate to innovation. For instance:

- 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?

These three basic types of value proposition do not represent a maturity curve. All three are equally capable of delivering business value, and they exist simultaneously within organizations. However, they are not equal in distribution. Informal surveys (conducted using “show of hand” questions at Gartner conferences) show that about 15% of attendees see D&A as a utility, about 75% as an enabler and about 10% as a driver.

The coexistence of multiple types of value proposition within a single organization is not only likely but preferable.

Create Common Ground Between Stakeholders

Our core belief about whether D&A is a utility, an enabler or a driver is so fundamental that we often don't realize that there are other — often competing and/or overriding — beliefs as well. We implicitly understand our own perspective and assume others have the same view.

This can lead to highly dysfunctional conversations for you as a D&A leader. For example:

- Those who are business enablers may ask an executive for data definitions, only to be told not to make such requests but simply to deliver the data that is available.
- Those who believe in data as a utility might not be respected by the rest of the business, because they never show anything new (something that someone who sees data as a driver would expect from peers).

Or, even worse, it may seem as though there is effective conversation, when, in reality, different implicit perceived value propositions means that all parties understand things differently.

You can work on a D&A strategy with all stakeholders, create a beautiful document and ensure everyone's buy-in, but if there is no agreement about where the value proposition should apply, it most likely will not work.

You must create common ground between all stakeholders. Once there is explicit agreement on the value proposition, and it has been shared, you can create a strategy that works for your organization:

- By sharing your value proposition, you can learn how other people have other expectations. This leads to understanding of the need for other strategies, too.
- By understanding your value proposition, you can identify which skills you are missing and where to invest to get to where you want or need to be.
- By understanding everyone's perceptions, you can perform a gap/fit analysis on your existing D&A practices and create strategies that work.

Use Your Value Proposition(s) to Evaluate and Drive Your D&A Operating Model

The strategy part of Gartner’s D&A Strategy and Operating Model leads to definition of the operating model, which determines how you will execute your strategy (see [“How to Craft a Modern, Actionable Data and Analytics Strategy That Delivers Business Outcomes”](#)).

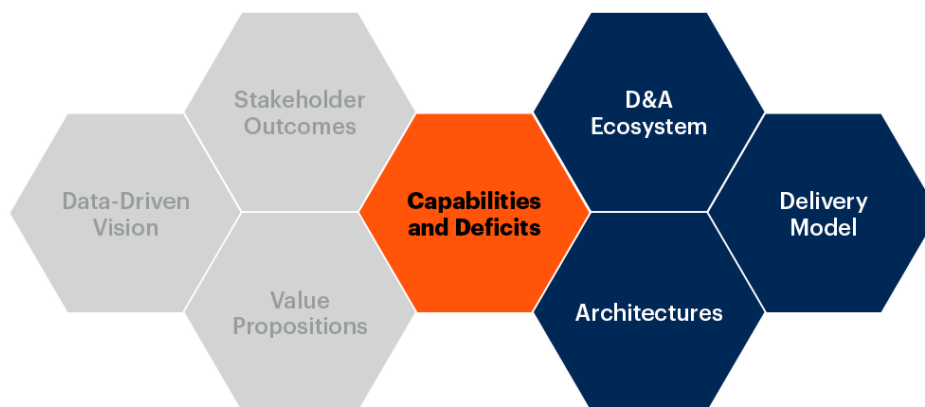
The value propositions defined in the strategy — classified as utility, enabler and driver — can be used to quickly construct the first version of your operating model, which consists of the following (see also Figure 3):

- D&A ecosystem
- Architecture
- Delivery model

This approach uses a high-level, holistic planning approach to rapidly assess operating model components, rather than the kind of detailed requirements planning more suitable for project estimation.

Figure 3: Elements of a D&A Operating Model

Elements of a D&A Operating Model



Source: Gartner
ID: 722265_C

Gartner

D&A Ecosystem

The D&A ecosystem consists of the use cases you are planning in order to fulfill your goals, the accompanying data sources, data management capabilities and analytics assets, and the D&A governance that comes with them. For an overview of D&A governance fundamentals, see [“7 Must-Have Foundations for Modern Data and Analytics Governance.”](#)

Whatever the value proposition, there must be an analysis of what data sources are needed, deficits in data management practices, which use cases have been identified, and what D&A governance needs to be in place. But for each value proposition, there is a difference of emphasis:

- D&A as a utility focuses on the ability to remove data management and analysis roadblocks in order to quickly unlock and access a wide variety of data sources, regardless of the specific use case. The governance focuses on service level management, on making sure the platform is “always on.”
- D&A as an enabler focuses on providing access to the data sources needed to fulfill specifically identified use cases. The governance is based on achieving planned business outcomes.
- D&A as a driver requires quick access to data sources of all kinds for discovery purposes. The governance aims to ensure new insights are adopted, and the ability to make this a recurring process.

D&A Delivery Model

As multiple value propositions are likely to be needed, a complete delivery model is required:

- The delivery of work can be organized in multiple ways — as a project, a program or a product.
- Resources can be allocated in multiple ways — through a resource center, by assigning people to business functions or by managing communities.
- Skills need to be built in various ways — by means of training curriculums, coaching people or co-delivery.
- Funding must be taken care of — through allocated budgets, cross-charging, profit-and-loss funding and portfolio funding.

The three basic value propositions also suggest a different emphasis on how you organize for D&A, and how your initiatives are organized, structured and funded:

- D&A as a utility requires the platform(s) to be run smoothly. The delivery model will be similar to IT operations. Data engineering consists of ensuring new data sources are added to the platform(s) promptly. Being a utility may also involve establishing a center of excellence that provides competency and skill building for self-sufficiency. The funding should come from an allocated budget.
- D&A as an enabler requires specific solutions to be implemented and delivered. The delivery model can be shaped as a project. It may also be a combination of project delivery and product delivery, as is the case where a product like consumer insights is used within various projects for sales, marketing and servicing. Business analysts turn requirements into targeted solutions. The funding is typically business-case-based, targeting concrete ROI, but can also include allocations for product funding.
- D&A as a driver requires a lab organization, in which new technologies and datasets can be tested. Data scientists look for new insights in data. Funding is based on a portfolio. Not all exercises will generate a return, but those that do will cover for the whole portfolio.

D&A Architecture

Regardless of the type of value proposition, there should be a complete D&A architecture. A D&A architecture supports more than just analytical needs. Most architectures have common thematic elements. Gartner's Data and Analytics Infrastructure Model describes several architectural elements (see ["Toolkit: Use the Data and Analytics Infrastructure Model to Align Strategies With Key Stakeholders' Objectives"](#)).

Each value proposition requires a different emphasis:

- D&A as a utility focuses on the infrastructure providing data as some form of service, including a set of APIs. This may be as some form of data marketplace, where users look up and download the datasets they need for their analysis. Alternatively, this infrastructure may be a fully implemented logical data warehouse, including real-time event streams and inherent analytical capabilities.

- D&A as an enabler focuses on analytic applications that may be part of the organization's enterprise applications, that are offered through the cloud that is subscribed to, or that are custom-built on top of data infrastructure. These architectures commonly consume from the utility-focused value proposition above, but may require specialized data integration in order to function. In other words, analytic applications have precise data needs and those needs must be met.
- D&A as a driver requires a focus on a data lake for insights and structures to emerge from applied data science heavily influenced by business-focused drivers. For this facet of architecture, the data lake is not a stand-alone component. It is one component of a whole that supports data science. As with D&A as a utility, this is not prescriptive about analytic tools — all kinds of advanced analytics should be supported.

Evidence

¹ ["Value Proposition,"](#) Wikipedia.

Document Revision History

[Start Your Data and Analytics Strategy With a Clear Value Proposition](#) - 20 November 2018

[No Data and Analytics Vision? No Business Impact!](#) - 29 June 2017

[A Good Information Management Strategy Starts With Vision and Values](#) - 19 August 2013

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[How to Craft a Modern, Actionable Data and Analytics Strategy That Delivers Business Outcomes](#)

[Dare to Dream! Give Your Data and Analytics Programs a Mission to Transform Business and Improve the World](#)

[How to Optimize Business Value From Data and Analytics Investments ... Finally](#)

[IT Score for Data & Analytics](#)

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