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Developing the Right Data Strategy for Your Organization

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I was recently asked a thought-provoking question. I had shared a couple of my columns with an old friend who has spent his life in a very different line of work – as a jazz musician, vintage Louis Armstrong. Sometimes you have to get out of the woods to see the forest from the trees, you know. The jazz musician asked me, and I paraphrase, “So, if there is all of this new data, how come it doesn’t look like anybody is getting any smarter?” I had to think about that one, and I’m still thinking. Ultimately the path to wisdom can be a long and solitary process, even for data-smart organizations.

Certainly, there is indeed more data. Pick your most trusted source — most experts seem to agree that the volume of data being generated is doubling over an ever-shortening interval of time. I think the latest forecast is under two years. And certainly, there are more people working with data, except now we call them data scientists. And, there are more executives expecting big things from data. It should be interesting to see how that one plays out. And, there is more money being spent on data, especially if it is called Big Data. But, one might still be hard pressed to boast with any confidence that data has made us smarter, and certainly it is hard to make the case that we are a whole lot wiser.

Thirty years ago, when I started in industry, I was intrigued by the notion that there seemed to be a lot of data, which if organized and made accessible to the right people, might yield some genuine insights that could be beneficial to a business. It seemed obvious at the time that if only there was some kind of chief data executive whose job was to think about data and how to use it, we’d be all set. In the intervening years, advances in technology have enabled us to capture and manage more data than ever. Technology has even enabled us to create a lot more data than ever imagined. Vast amounts. Has more data led to a proportional increase in the level of insight, or has it made it more challenging to get to the big insight?

Albert Einstein once remarked “Not everything that can be counted counts, and not everything that counts can be counted.” As companies think about the vast amounts of data at their fingertips, they might be well suited to pause and step back for a few moments to consider the following. Having the most data seldom makes you the wisest, the fastest, or the most nimble. The champions of small data appreciate that big insights often come from simple events. As the story goes, Isaac Newton got his big insight from a single data point – an apple falling from a tree onto his head.

Organizations would be well served to break from accepted dogma and apply fresh thinking as they consider how best to align their resources, capabilities, and people to make wise use of their data. There is no single playbook or set of common practices that apply universally to all businesses. Each business has its own culture, customers, and data assets which are unique to them. Every business has an opportunity to take a critical look at how impactful data can be to their operations. How much insight can be gained? How vital is that insight to the business? What is the cost of getting to this level of insight? What is the best way to optimize for business insight? While good data can help a firm make insightful decisions, capturing lots of data does not guarantee a result that is insightful or wise.

What advice can I offer to organizations that are serious about learning from their data assets? Developing a well-considered data strategy can be a good place to start, but not just because everyone else is doing it. Embark on a data strategy because it is the right thing to do for your organization to gain fresh insight and make informed decisions. Don't adopt a data strategy that is identical to what others are pursuing. Develop a data strategy that fits with your culture and is the right fit for your organization. Customize. Make sure that you view your data strategy as an ongoing process, not a finished state. Circumstances change and evolve, and your strategy should do the same.

Firms that gain the most will have invested thoughtfully — neither excessively nor indiscriminately. Steve Jobs challenged us to think differently. Mark Twain expresses the sentiment best: “Whenever you find yourself on the side of the majority, it is time to pause and reflect.”

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