

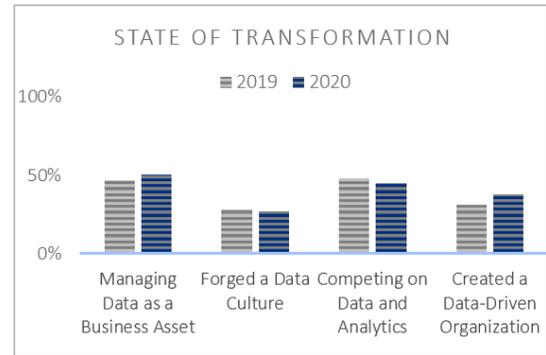
# Creating Value from Data

Organizations must be data-driven to compete in the 21<sup>st</sup> century. Leading companies are creating value from their data, yet our research shows that many companies are struggling to drive data transformation and become data driven. What more can be done to unlock the value of data?

## Introduction

Data folks have been on quite a journey for almost 50 years. Relational databases were created in the 1970's, database marketing, an early adopter, took direct marketing to new levels starting in the 80's. Structured Query Language (SQL) became a standard in the 80's, making the use of databases easier for a much larger community. Success stories followed in most industries over the next three decades. Top tier banks use data in everything from marketing to risk management, digital companies have created entirely new business models, data is used to design better products, make critical decisions in real-time, improve supply chains, and data is the fuel for innovations in AI and Machine Learning.

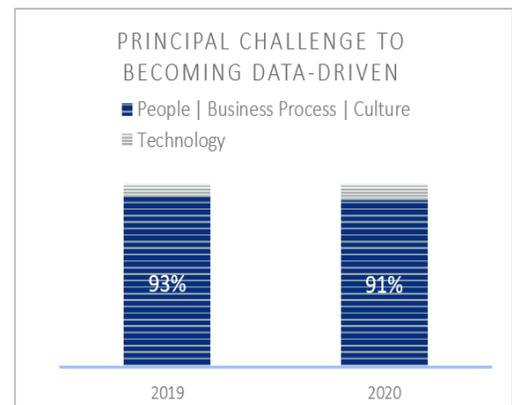
But it seems like not everything is going according to plan. According to the NewVantage Partners [2020 Big Data Executive Survey](#), while leading companies are creating value out of data, many companies are struggling to drive transformation and become data-driven. Less than half of companies we surveyed are achieving this transformation



So, with decades of experience and all the advancements in technology, what is holding companies back from being data-driven and in turn creating more value out of their data.

## The Challenge is People and Process, not Technology

An overwhelming 91% of those surveyed by NewVantage Partners cite People, Process and Culture as the challenge to becoming data-driven while only 9% point to Technology. Tom Davenport and Randy Bean summarized the problem.



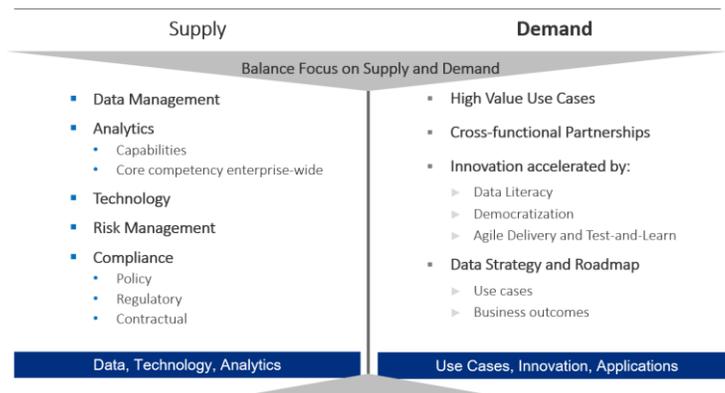
*Companies continue to focus on the supply side for data and technology, instead of increasing demand for them by business executives and employees. It is a technology push rather than a pull from humans who want to make more data-based decisions, develop more intelligent business processes, or embed data and analytics into more products and services.*

The quest for better, faster, cheaper led to a large investment in technology and risk and compliance pressures required significant attention. This supply-side focus is important, but by itself, it is table stakes. Equal attention, or more, must be given to the demand-side of data to unlock value.

## Being Data Driven: The Power of the Use Case

What is the demand-side of data? It is activity that helps businesses understand and use data and apply that to business opportunities. Attention to the demand-side of data is about connecting data and analytics with the business need.

Here are some things we see leading, data-driven companies doing well on the demand-side of data.



- **Focus on High Value Use Cases.** The best way to unlock business value from data is to identify high value use cases and look for ways data and analytics can make the use case better. Data-driven companies collaborate across cross-functional teams, in an agile way, to deliver on these high value use cases. Lead with the use case, not with the data or technology.
- **Increase Data Literacy and Democratization of Data.** A senior executive once complained his daughter could get information from the internet in an evening for a school project, while his questions at work seemed to take days or weeks to get answers. Leading companies understand their data assets, they ensure analytic competency exists across the enterprise, and they strive to make data and analytic products ubiquitous.
- **Operationalize Insights and Decisions.** Value has not yet been created when the data is published, a report is produced, or a model is created. Value is created when an action is taken. The best data and analytics organizations are great partners in teaming with their business and technology peers to operationalize the data and analytic products.

## Conclusion

Tremendous progress has been made in advancing data and data science capabilities. There remains tremendous upside from growing the use of data for both commercial societal benefits. The journey is well worth the trip. While much has been done, much more is possible.

## How NewVantage Partners Can Help

Since 2001, [NewVantage Partners](http://www.newvantage.com) has helped a blue-chip roster of Fortune 1000 companies and industry leaders leverage data and analytics to drive innovation and business transformation. We serve as thought leaders, trusted advisors, and management consultants to leading companies. If you are interested in learning more, please contact Randy Bean at [rbean@newvantage.com](mailto:rbean@newvantage.com) or either of the authors below.

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