Data has Hidden Super Powers

Guide to writing a Data Strategy

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FOREWORD

In this guide, there is an outline of hints and tips to get you started on your journey to, and through, a Data Strategy.

However, in addition to this, it is important to remember that in working with data you will need to develop critical thinking skills because sometimes it's hard to move beyond counting things to really understand them.

We should teach ourselves how to find confirmation biases and false correlations and to spot a naked emotional appeal. Just because something happened after something doesn't mean that it happened because of it. The Romans called this "Post hoc ergo propter hoc" translated "after this, therefore because of this"; meaning "Since event Y followed event X, event Y must have been caused by event X". This means questioning disciplines like demographics as they are founded on assumptions about who we are based on our gender, age, where we live, etc., as opposed to data on what we actually think and do. Since we have this data we need to treat it with appropriate privacy controls and consumer opt in, and beyond that we need to be clear about our hypothesis; the methodologies that we use; and our confidence in the result. The hardest question is, did the data really show us this or does the result make us feel more successful and more comfortable?

If we are to unlock the power of data, we don't have to go blindly into Orwell's vision of a totalitarian future or Huxley's vision of a trivial one or a cocktail of both. What we have to do is treat critical thinking with respect and as they say in the super hero movies, let's use our powers for good.

How does data help your organisation?

1 Improve your existing business

2 Make informed business decisions

3 Transform your day-to-day business operations

"By 2020, businesses using data will see $430 billion in productivity benefits over competitors who are not using data."

International Institute for Analytics

Where to Start

"Every business needs a data strategy."

You need to have your business strategy in place before you start on your data strategy as it will have to align back to that.

The best place to start is to think about key business questions and strategic priorities.

This will help you identify how you might use data to help you deliver those priorities and answer your business questions.

Come up with approximately 5 use cases, which are your data uses and priorities.

Quick Wins!

Try and get up to 3 quick wins to get a return on investment, as implementing a full data strategy will take a considerable amount of time to put in place and deliver value. Something like looking at customer churn that will aide a strategy for customer retention.

1. Define Data Use Cases
2. Create your Business Strategy
3. Develop your Business Case

A strategy for using data in the best way for your business.

A data strategy is a plan designed to improve all the ways you acquire, store, manage, share and use data.

What to look at before creating a more formal data strategy paper:
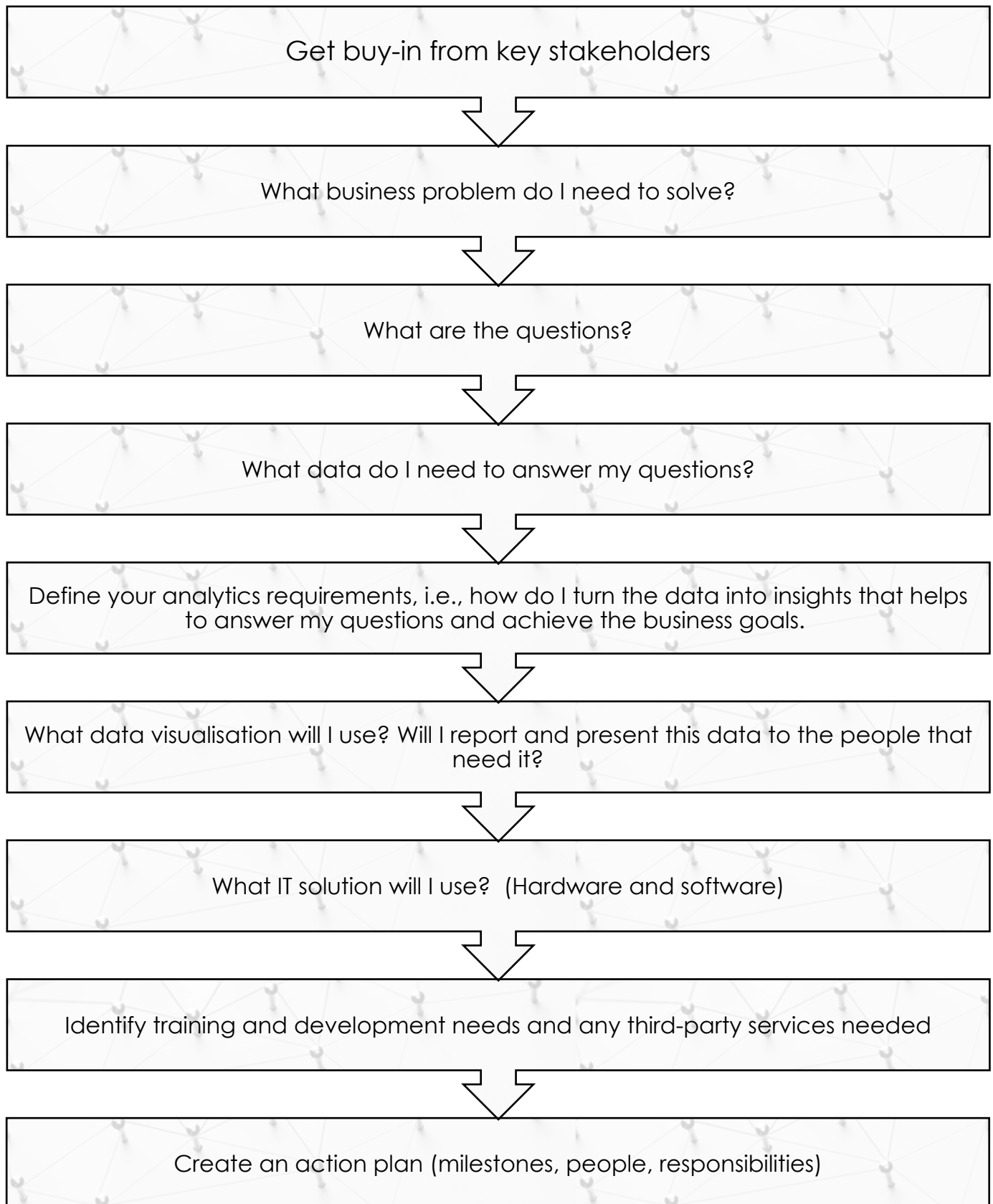
- Business strategy
- Get buy-in early on - involve decision makers and key stakeholders from the beginning
- 1 – 3 data quick wins
- Data requirements
- Data governance
- Technology implications
- Skills and capacity
- Implementation and change management issues

Then start to clarify your data goals and requirements on paper for your Data Use Case and Data Strategy.

Data Strategy Questions

Link the benefits of using data back to your business KPIs.

Define your data priorities, and identify cross-cutting issues, themes, requirements and goals.

Get buy-in from key stakeholders

What business problem do I need to solve?

What are the questions?

What data do I need to answer my questions?

Define your analytics requirements, i.e., how do I turn the data into insights that helps to answer my questions and achieve the business goals.

What data visualisation will I use? Will I report and present this data to the people that need it?

What IT solution will I use? (Hardware and software)

Identify training and development needs and any third-party services needed

Create an action plan (milestones, people, responsibilities)

Data Use Cases

Data Use Cases are driven by your strategic goals. Your data use cases are your key data projects or priorities for the year ahead.

- Create a data use case for each data project.

- Each data use case may have the same issues or challenges/themes.

- Prioritise your use cases for your data strategy, they may not all make it into your strategy.

- Identify your top 3 use cases for the year and some 'quick wins' – maximum 5 in total.

Example use cases:

- Delivering a more personalised customer/member/student experience.

- Price optimisation.

- Identifying opportunities for process improvement via reengineering or automation.

- Improving your product or service offering.

- Measuring employee engagement.

It's a good idea to create a Data Use Case template to complete for each key data project that contains the following information:

- Strategic Goal?
- Objective / what questions will this case answer?
- KPIs / how is success measured?
- Owner?
- Users of this data case?
- Data required?
- Data governance?
- Technology needed?
- Resource / who will deliver?
- Change management requirements?

Data Use Cases

Let's take each section of the Data Use Case

Strategic Goal

- What is the strategic goal that this data use case will meet? There needs to be a link between the organisational objective and the data use case. Let's take the use case example, 'Delivering a more personalised customer/member/student experience', this may link to a strategic objective to improve member engagement with the organisation.

Objective

- What are the business questions that this data use case will help you answer? In the example above it could answer:

    - How engaged are our members? How can we increase member engagement? Are our member engagement initiatives successful and do they impact engagement?

KPIs

- What does success look like, how will you measure success and progress and what are the expected results?

Owner/Sponsor?

- Who will the data use case owner be? There must be one, otherwise the project is likely to fail. In our example, it may be the Membership Manager who is responsible for the project's success and they may work with other people, but ultimately they own the project.

Users of this Data Case?

- Who will be the users of this data use case and the audience of the resultant insights? In this example, the owner is also the user. Other users would be the leadership team.

Data

- What data will be required for this use case? Consider whether it is internal/external, if it exists already or needs to be created, is it structured data (e.g., databases and spreadsheets), and/or unstructured data (e.g., social media posts).

- In order to create a comprehensive picture try and combine different data sets if possible. In this example, you could use member survey results, external membership industry benchmark data. Structured and unstructured data could be used from member event attendance rates and freeform survey responses. You would need to set up a method to conduct frequent member pulse surveys.

Data Use Cases

Continued

Data Governance

▪ What data governance, data privacy, data access, data ownership, and data security is needed? Are there any challenges in any of these areas? Define how you are going to maintain data quality, ethics.

▪ How are you going to keep data safe and used for the purpose it was intended? Collecting and storing data, especially personal data, brings serious legal and regulatory obligations.

▪ For the membership engagement use case:

  ▪ Gain consent from members to gather and use survey data.

  ▪ In the interests of ethical data usage – and to ensure more accurate, honest results – survey data should be anonymised.

Data Analysis

▪ What is your proposed approach to turn data into the insights needed? For example, text analytics, image analytics, predictive analytics, and different types of business analytics.

▪ One useful method for a member engagement use case is text analytics. This can be used to analyse survey responses, interviews, and even emails or social media posts (if you wanted to go that far) to extract insights on how members really feel about the organisation.

Technology needed?

▪ Identify your technology and infrastructure challenges, implications and requirements? For instance, data collection, data storage, data processing, data output, communication of insights.

▪ For example, you might need to invest in a third-party member engagement platform that can conduct regular, short pulse surveys with your members.

Resource

▪ Who will deliver? Consider if inhouse resource will be used, if so, do staff need training or will some/or all tasks be outsourced to a third-party? For example, staff may need to be trained on a pulse survey software platform to get the data from it.

Change management requirements?

▪ What are the implementation and change management needs? Identify potential roadblocks and risks. Communicate to staff and leadership team why the project is happening and what new systems are being implemented and how it will benefit the organisation.
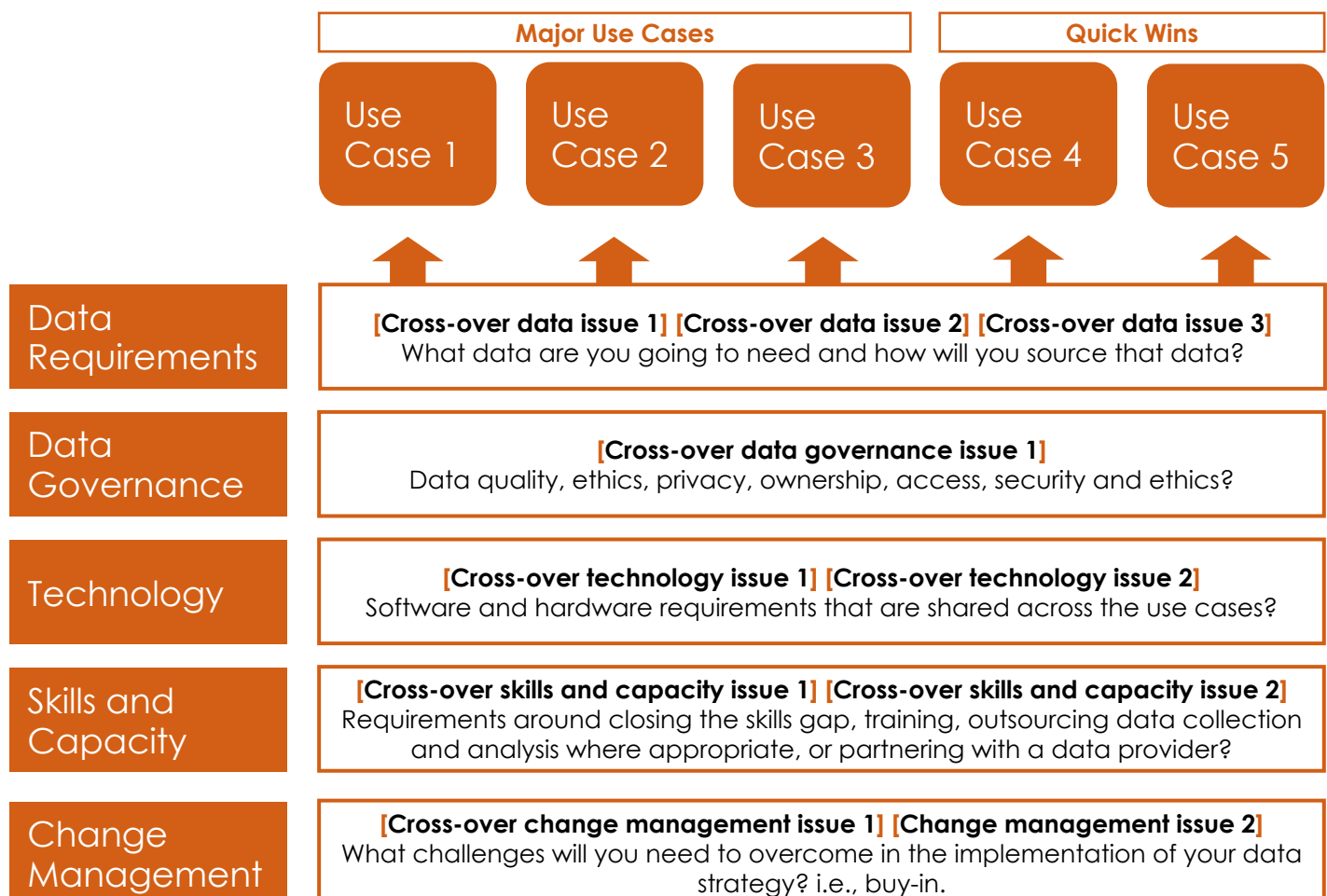
Developing Your Strategy

Create a one-page visual template that you can use to help define your strategy with the data use cases. List your goals then line up the data use cases; you will be able to determine common themes and issues across your data priorities as well as your requirements and goals. This is a great reference point before you create your more detailed strategy document that explores your goals and issues in more detail.

Your goals, taken from the Data Use Case template page, will be something like these:

1. Data Requirements
2. Data Governance
3. Technology
4. Skills and Capacity
5. Change Management

There are a number of Data Strategy layouts available. Here's an example that Equantiis has used:

Major Use Cases			Quick Wins	
Use Case 1	Use Case 2	Use Case 3	Use Case 4	Use Case 5

Data Requirements
[Cross-over data issue 1] [Cross-over data issue 2] [Cross-over data issue 3]
What data are you going to need and how will you source that data?

Data Governance
[Cross-over data governance issue 1]
Data quality, ethics, privacy, ownership, access, security and ethics?

Technology
[Cross-over technology issue 1] [Cross-over technology issue 2]
Software and hardware requirements that are shared across the use cases?

Skills and Capacity
[Cross-over skills and capacity issue 1] [Cross-over skills and capacity issue 2]
Requirements around closing the skills gap, training, outsourcing data collection and analysis where appropriate, or partnering with a data provider?

Change Management
[Cross-over change management issue 1] [Change management issue 2]
What challenges will you need to overcome in the implementation of your data strategy? i.e., buy-in.

Create Your Data Strategy

"Data doesn't create meaning; we do. We need to develop our critical thinking skills to bring context to data."

What are the most important use cases in your organisation. It starts with your business strategy. What are your key challenges?

1. Data to better understand your customers.
2. Offer better services to customers, give them a better experience and value.
3. Data to improve your internal processes and operations.
4. Look at monetising data – to sell or rent data.

Make sure you go through the Data Strategy Questions covering each data area, make sure you have your Use Cases in place and Data Strategy template completed. You may have over 10 use cases but whittle it down to 1-5 major strategic ones and 1-3 quick wins where you can demonstrate value and get buy-in. Identify the cross-over issues.

This is the starting point for your data strategy for you to write up in more detail and start implementation.

The strategy should remain high level and should offer context and guidance to support decision making and impact analysis.

A data strategy can only be effective if it is aligned to the objectives of the organisation and can be relevant to all data audiences at all levels. Therefore, take the headings from this guide as just that, a guide.

These headings can be considered along with all the goals outlined earlier:

- A compelling vision for data
- The business context of how data will be used
- Definition of what successful execution of the strategy will look like
- Definition of how success will be measured
- Definition of the capabilities (people, process, data, technology) required to execute the strategy
- Definition of the data principles to guide the strategy
- Definition of the data architecture that will underpin the strategy
- Definition of the data governance that will assure the strategy
- The roles and responsibilities of those who will make it happen.

Author

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References

Reading list

How Do You Develop A Data Strategy? Here're 6 Simple Steps That Will Help
• https://bernardmarr.com/default.asp?contentID=1330

How To Develop A Data Strategy – With Handy Template
• https://bernardmarr.com/default.asp?contentID=1838

How To Define A Data Use Case – With Handy Template
• https://bernardmarr.com/default.asp?contentID=1837

Why Every Business Needs A Data And Analytics Strategy
• https://bernardmarr.com/default.asp?contentID=768

Data Strategy by HESA
• https://www.hesa.ac.uk/support/tools/data-capability/signposting/strategy