From Data Laggard to Data Elite

Your Roadmap to Becoming a Data-Driven Organization

Wayne Eckerson
October, 2020

Twitter: @eckersongroup

Moderator

Joe Hilleary
Research Analyst
Eckerson Group

Speaker

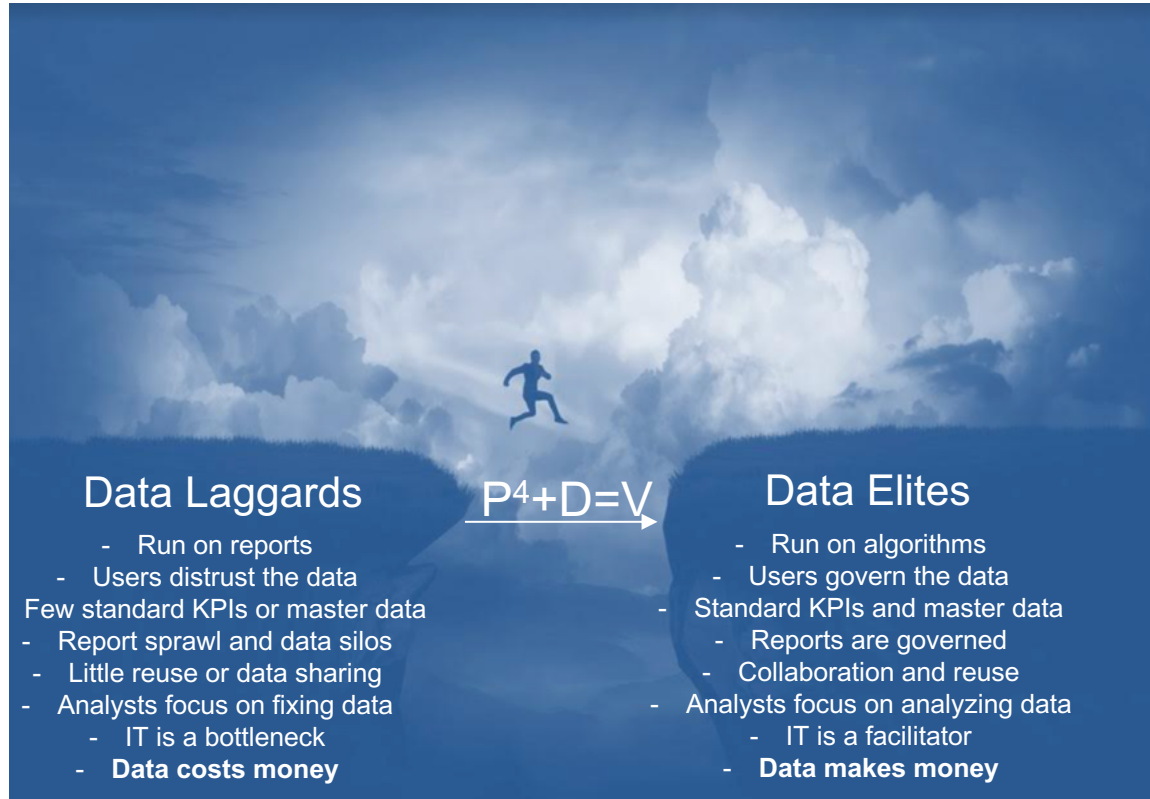**Wayne Eckerson**
President
Eckerson Group

Sponsor

Bradley Stillwell
VP, Analytics Product Strategy
Infor

The enterprise cloud company

We deliver mission-critical enterprise applications that provide customers with a sustainable operational advantage.

Eckerson Group

Data Laggards

$P^4+D=V$

- Run on reports
- Users distrust the data
Few standard KPIs or master data
- Report sprawl and data silos
- Little reuse or data sharing
- Analysts focus on fixing data
- IT is a bottleneck
- **Data costs money**

Data Elites

- Run on algorithms
- Users govern the data
- Standard KPIs and master data
- Reports are governed
- Collaboration and reuse
- Analysts focus on analyzing data
- IT is a facilitator
- **Data makes money**

By 2025, there will be a nearly unbridgeable chasm between Data Laggards and Data Elites.

The question is: "How do you cross the divide?"

POLL

Eckerson Group

Decisions

IT-Driven	User-Driven	Model-Driven
~1990-2005	~2005-2020	~2020+

Keys
- Data Warehousing
- Data Integration
- Data Quality
- Standard KPIs/Dashboards

Keys
- Data and Report Governance
- Federated Center of Excellence
- Data Refinery
- Self-Service Workbench

Keys
- Data Science
- Streaming and complex data
- DataOps
- Data Literacy

Artificial Intelligence

Self-Service Intelligence

Business Intelligence

	IT-Driven	User-Driven	Model-Driven
Focus	Past	Present	Future
Actions	Reactive	Proactive	Automated
Impact	Neutral	Positive	Game Changing

"We need digital transformation."

Translation = We don't want to be disrupted!

(What they really need? A data strategy!)

(Because you can't go digital without good data!)

Eckerson Group

New Consumer Mantras

- One touch access

- Personalized service

- Built-in community

- Free or very low cost

- Frictionless transactions

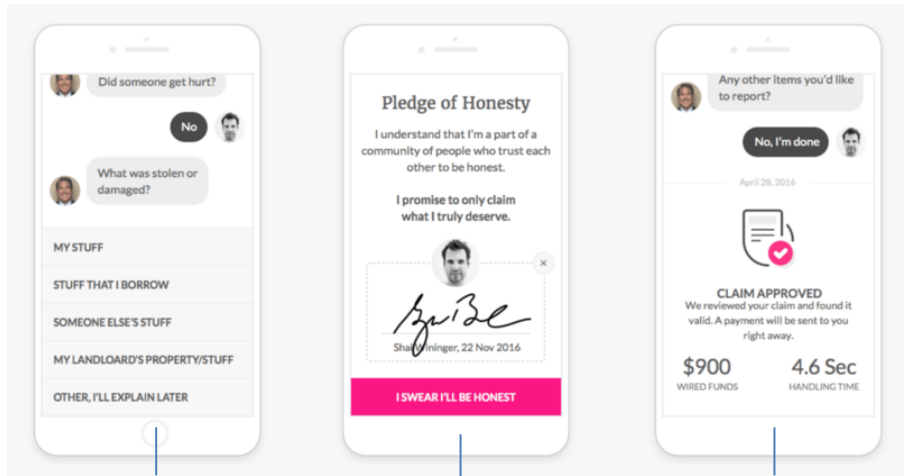**Goal: exquisite customer experience:**
Convenience
Choice
Cost
Community

Google

amazon

facebook

NETFLIX

UBER

$2.88 trillion combined market cap

Lemonade's "AI Jim" processes a claim

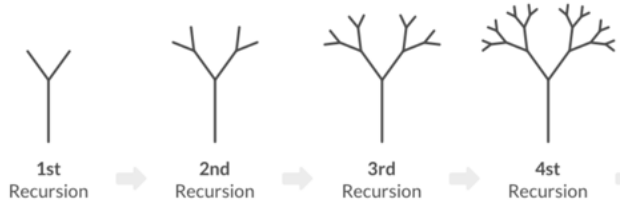NLP with key word assists guides the "conversation".

Community norms and pledges reduce fraud

Runs 14 fraud models; Pays 50% of claims automatically.

Lemonade updates its algorithms on average 8x daily: pricing, claims, coverage, service, pricing, etc.

More Data, Less Risk

- "Policy of one" (micro pools)
- More data, more precision

Lemonade collects 2,000 to 4,000 data points per customer versus 20-40 for most insurers.

- More automation
- Faster quotes
- Lower prices
- Faster claims
- Happier customers

"Can an older company join the Data Elite?"

"Moving from data-driven to AI-driven is the next phase in our evolution…. The more efficient organizations will survive at higher rate. **Since it's hard to for mature companies to adapt to changes in the environment, I suspect we'll see the emergence companies that embrace both AI** and hu ions from the beginning and build them ir workflows.

"Not Really!"

What AI-Driven De Looks Like Like, July 8, 2019

This is not to science is destined for failure at older, more ma e companies, though it is certainly harder than starting from scratch. Some companies have been able to pull off miraculous changes…

Curiosity Driven Data Science, Nov 27, 2018

Eric Colson
Chief Algorithms Officer
Stitch Fix

Wayne Eckerson
President

Eckerson Group
Get more value from your data

"Yes!! But it takes:

1. A bonafide commitment from top executives
2. An enterprise commitment to governing data
3. Strong technical know-how and infrastructure
4. An effective partnership between business and IT
5. A cultural makeover

What Does a Data Culture Look Like?

1. CEO Commitment
2. Executive Decisions
3. Executive Example

EXECUTIVES

1. Analytics Council
2. Data and Report Governance
3. Community of Interest

BUSINESS UNITS

Data Leader

DATA TEAM

1. Data Platform
2. Center of Excellence
3. Data Agility

KNOWLEDGE WORKERS

1. Data Stewardship
2. Data Empowerment
3. Data Literacy

Value Chain Model

Formula for Success:
$$P^4 + D = V$$

Process Reengineering

Business Processes

Program

People   **Data**   **Platform**

Process

Core Applications

Business Innovation

Business Environment

Business Value

INPUTS

Right Program
Right People
Right Processes
Right Platform
Right Data

OUTPUTS

Reengineered Processes
New Business Models
High Business Value
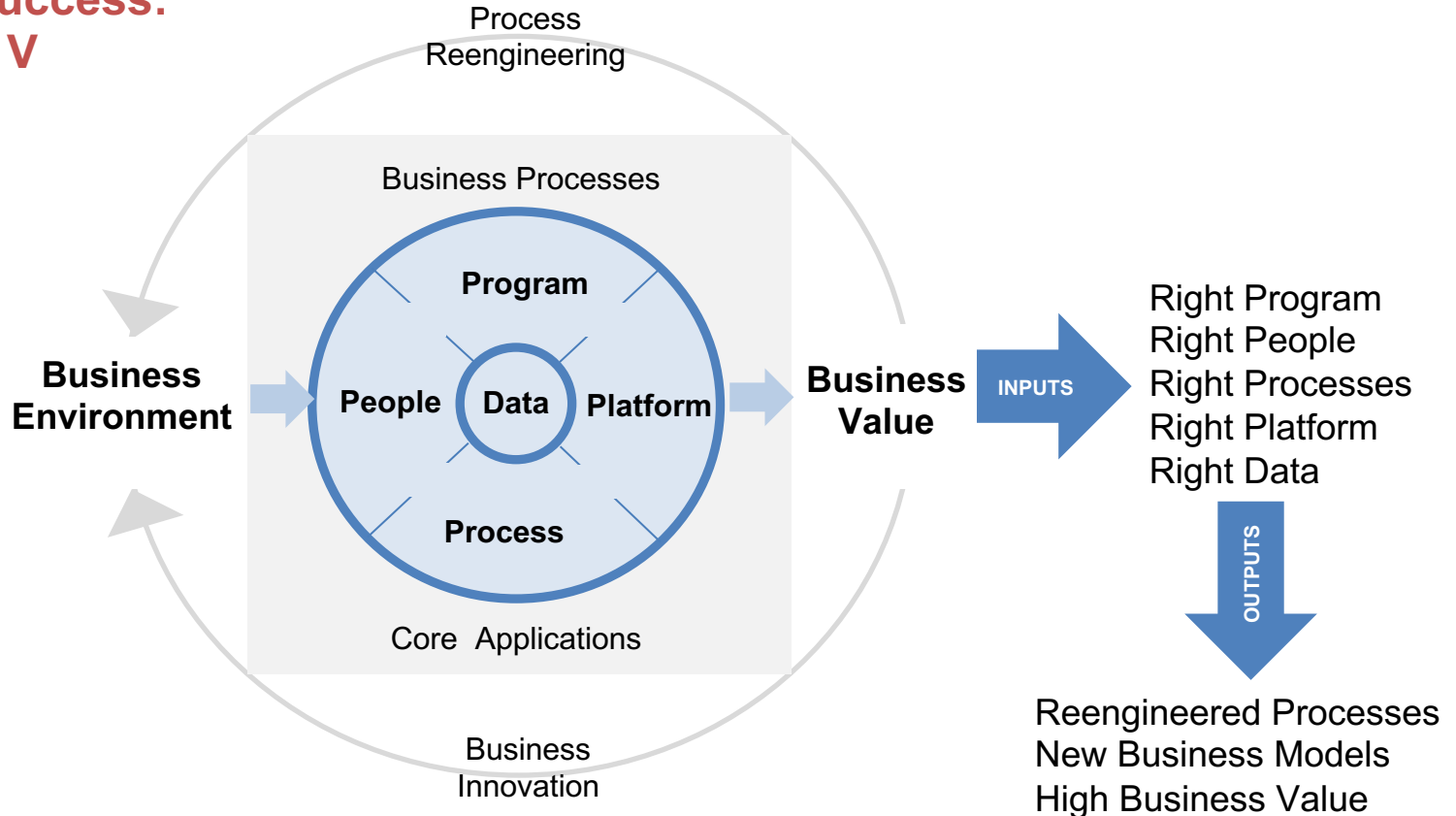
"Is Your Organization Data-Driven?"
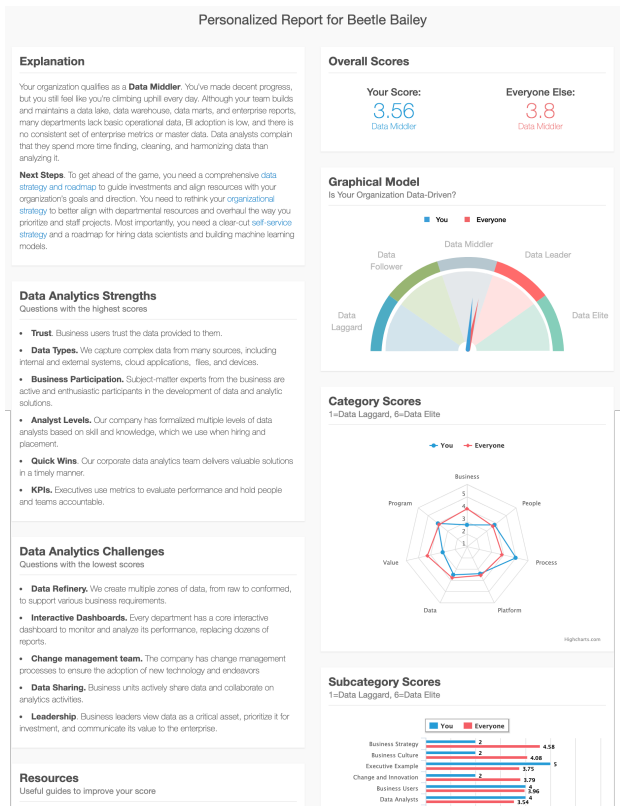
7 categories, 25 subcategories
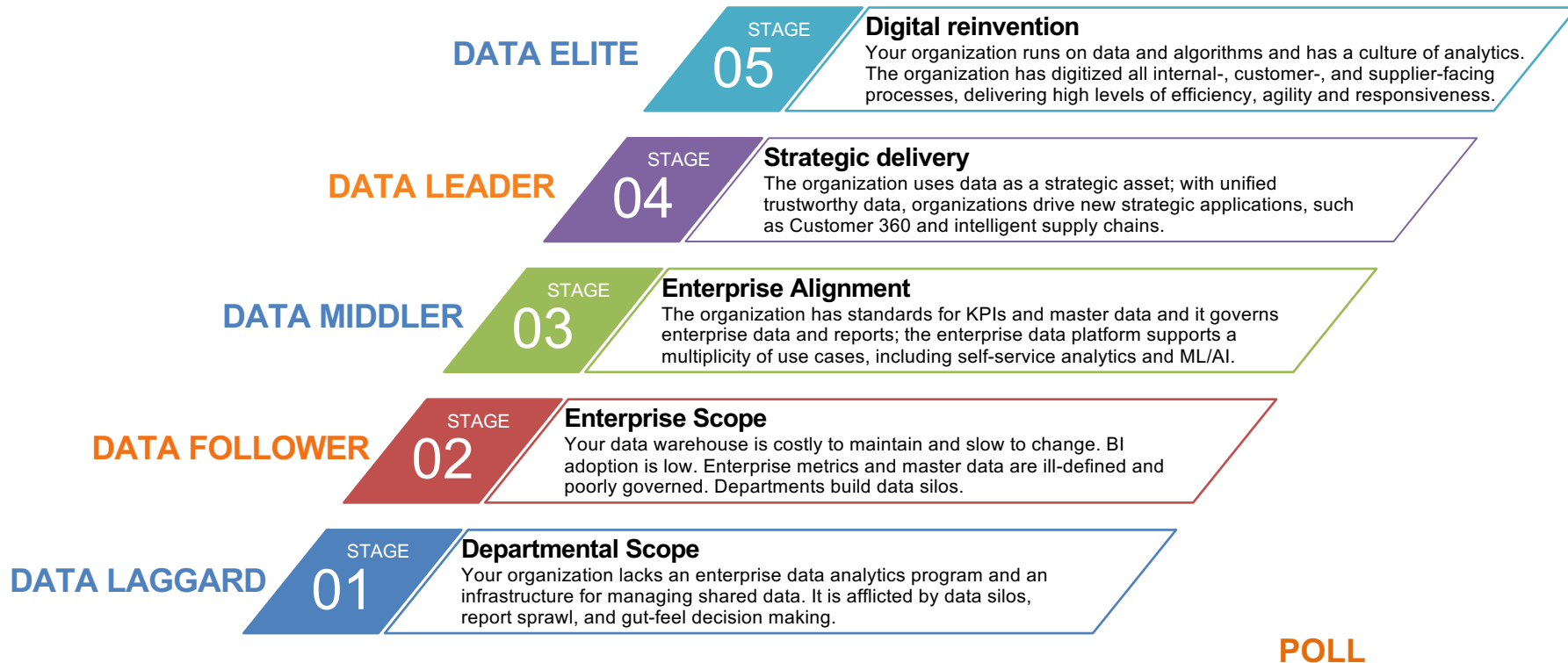Full Version: 150 questions, 30 minutes, $
Abridged Version: 30 questions, 12 minutes, free

Abridged version URL:
https://eckerson.ratemydata.com/s/data-driven-organization

Sponsored by: infor

Success Signals Maturity Model

DATA ELITE

STAGE **05**

Digital reinvention
Your organization runs on data and algorithms and has a culture of analytics. The organization has digitized all internal-, customer-, and supplier-facing processes, delivering high levels of efficiency, agility and responsiveness.

DATA LEADER

STAGE **04**

Strategic delivery
The organization uses data as a strategic asset; with unified trustworthy data, organizations drive new strategic applications, such as Customer 360 and intelligent supply chains.

DATA MIDDLER

STAGE **03**

Enterprise Alignment
The organization has standards for KPIs and master data and it governs enterprise data and reports; the enterprise data platform supports a multiplicity of use cases, including self-service analytics and ML/AI.

DATA FOLLOWER

STAGE **02**

Enterprise Scope
Your data warehouse is costly to maintain and slow to change. BI adoption is low. Enterprise metrics and master data are ill-defined and poorly governed. Departments build data silos.

DATA LAGGARD

STAGE **01**

Departmental Scope
Your organization lacks an enterprise data analytics program and an infrastructure for managing shared data. It is afflicted by data silos, report sprawl, and gut-feel decision making.

POLL

Eckerson Group Online Assessment: https://eckerson.ratemydata.com/s/data-driven-organization
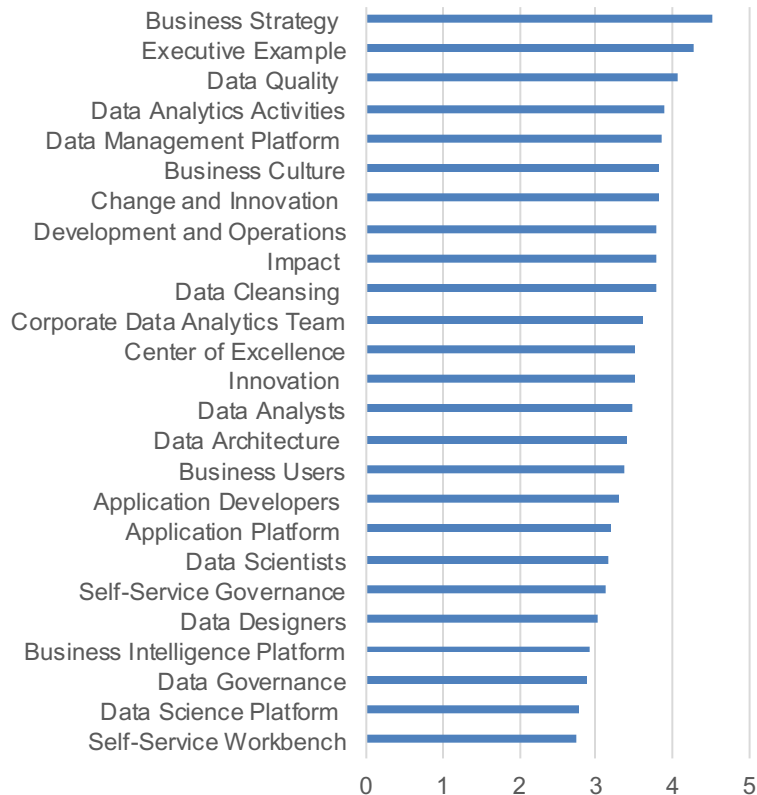
Eckerson Group

Overall Score – 3.71 (out of 6)
"Data Middler"

Overall Average – By Category
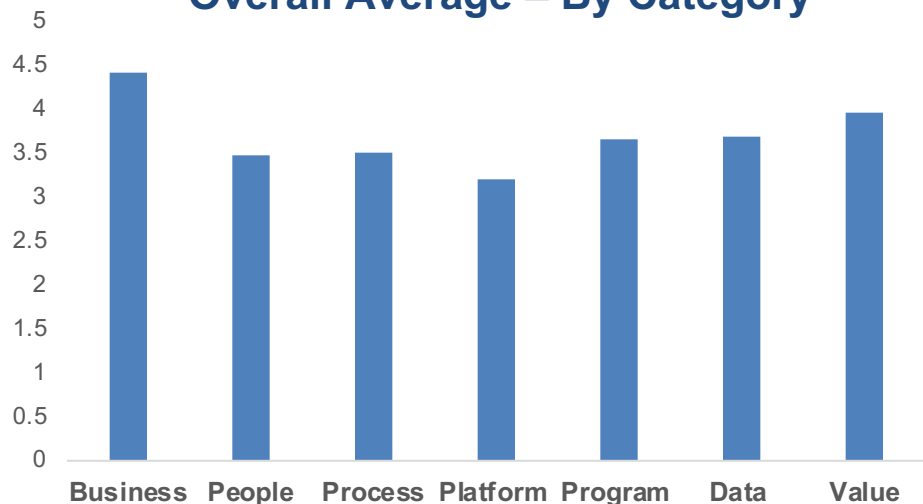
Overall Average – By Sub-Category

- Master three eras of intelligence
  - *Business intelligence*
  - *Self-service intelligence*
  - *Artificial intelligence*
- Master core capabilities
  - *People, process, program, platform, data, value*
- Create a data culture
  - *Top-down, bottom-up, sideways in*
- Grow your data maturity
  - *From data laggard to data elite*

6 steps to becoming data driven

MODERN DATA ARCHITECTURE

Increase enterprise resilience and
flexibility with modern data architecture

AUTOMATED DATA INTEGRATION

Rapidly unify and manage data through
augmented automation

DATA AS A SERVICE

Use data as a service to expand the use
of trusted data through networking

FLEXIBLE CONSUMPTION

Equip users for success with modern
digital tools and useful information

VALUE BASED DESIGN

Employ a business outcome design
approach to increase adoption

DATA MONETIZATION

Extend insights beyond the enterprise to
get the most value from your data

About Eckerson Group

Wayne Eckerson

- **President, Eckerson Group**
- **25+ year thought leader in data and analytics**
- **Sought-after speaker and consultant**
- **Author of hundreds of articles and reports**
- **Author of two bestselling books**