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Thought Leadership Paper
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The Business Impact of Data Intelligent Management

How Data Intelligence Strategies Help
Organizations Drive Success And Mitigate Risk



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Project Director:

Nicholas Phelps,
Senior Market Impact Consultant

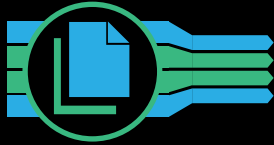
Contributing Research:

Forrester's Enterprise Architecture
research group

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This study defines data intelligent organizations as those who agree they have the ability to connect the right data, insights and algorithms so people can drive business value through data.

Executive Summary

Knowledge is the driver of successful enterprise competitiveness, growth, and risk management. To keep up with empowered customers and competitors, organizations must adapt the pillars of their data practices — how they discover, organize, collaborate with and execute on data-driven insights.¹ Data management requires the mastery of multiple disciplines, from discovering what data is available for key users and trusting in data quality to collaboration and execution of insights-driven outcomes. Insights-driven businesses are able to harness and implement data insights strategically and at scale to drive growth, mitigate risk, and create differentiating experiences, products, and services.

In January of 2020, Collibra commissioned Forrester Consulting to evaluate the state of data management maturity and culture. Forrester conducted an online survey of 906 global business analysts in data science and analytics, operations, lines of business, finance and accounting, and R&D/product development. We found that businesses that put data insights at the center of their vision and strategy, which this study calls data intelligent organizations, enjoy a differentiated competitive advantage by mitigating cost and risk, growing revenue, and improving the customer experience.

KEY FINDINGS

- › **Data-centricity is universally respected, but inconsistently executed.** Eighty-four percent of business analysts in our study agreed that it is very important or critical to put data at the center of their crucial business decisions and strategies, but only half are actually doing so. Those who do are able to achieve their top business priorities, which respondents reported as cost savings, revenue growth, and improved customer experience. Data intelligent organizations also see advantages across the seven pillars of data management: discover, access, comprehension, collaboration, sharing, trust, and execution.
- › **Optimized data strategies drive strategic value.** Without a data management strategy, analysts are often left to complete tasks that take away from their ability to perform actual analysis and provide effective value. This is a resounding issue for less data-mature organizations, which are 55% less likely to say their data management strategies positively contribute to optimal business decisions for their organizations. On the other hand, data intelligent organizations are able to progressively focus on improving their abilities to execute analysis and drive business outcomes, while less mature organizations are still trying to improve trust in their data.
- › **The right investments make the difference.** Effectively harnessing data requires a shift in perspective and priority. Data intelligent organizations are 52% more likely to increase spend on data management tools than non-data intelligent organizations, which is an investment that pays off. Data intelligent organizations see an 8% advantage in improving customer trust, and a massive 173% advantage in better compliance with regulations and requirements than non-data intelligent organizations.

Data Intelligence Sits At The Heart Of Customer Obsession

The modern business environment requires swift and canny decision making to capture opportunities, gain competitive advantages, and manage risks. Forrester studies have shown that enterprises that put digital insights at the core of their business decision making possess a significant competitive advantage over their peers.² They do this by harnessing and implementing digital insights strategically and at scale to drive growth, mitigate risk, and create differentiating customer experiences, products, and services.³

Mastering this kind of data-centric decision making requires the ability to connect the right data, insights and algorithms in order to drive business and customer value through data. This study defines such an approach as data intelligence, and it demonstrates that organizations that align their cultures and strategies to this vision (data intelligent organizations) are more adept at data management, gleaming actionable insights from their data, and making better decisions as a result. Compared to non-data intelligent organizations that struggle to prioritize and optimize the use of data and insights, data intelligent organizations are also more successful at capturing business benefits and mitigating risk.

ALL ORGANIZATIONS KNOW DATA-DRIVEN DECISIONING IS IMPORTANT, BUT DATA INTELLIGENT ORGS TRULY DIFFERENTIATE

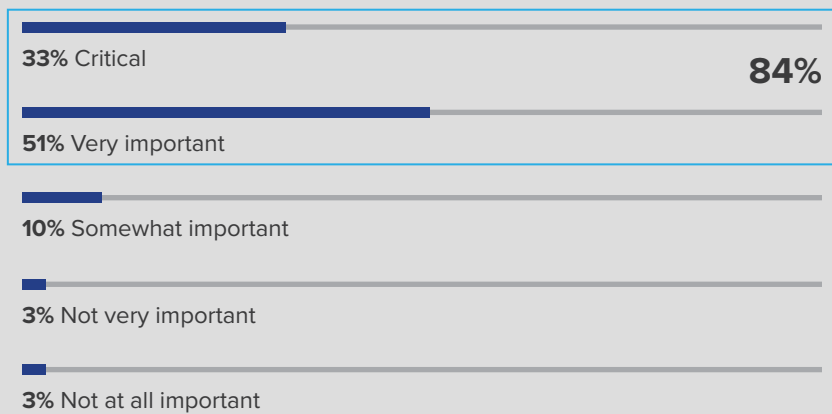
Across industries, unlocking data and insights unleashes powerful decision making and innovation that leads to sustained competitive differentiation.⁴ Eighty-four percent of business analysts in Forrester’s study agreed that it is very important or critical to put data at the center of their crucial business decisions and strategies (see Figure 1).



Data intelligent organizations drive business and customer value and mitigate risk in strategic decision making by prioritizing and optimizing their data use and insights.

Figure 1

“How important is it for an organization to put data at the center of its crucial business decisions and strategy?”



Base: 906 global business analysts
Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

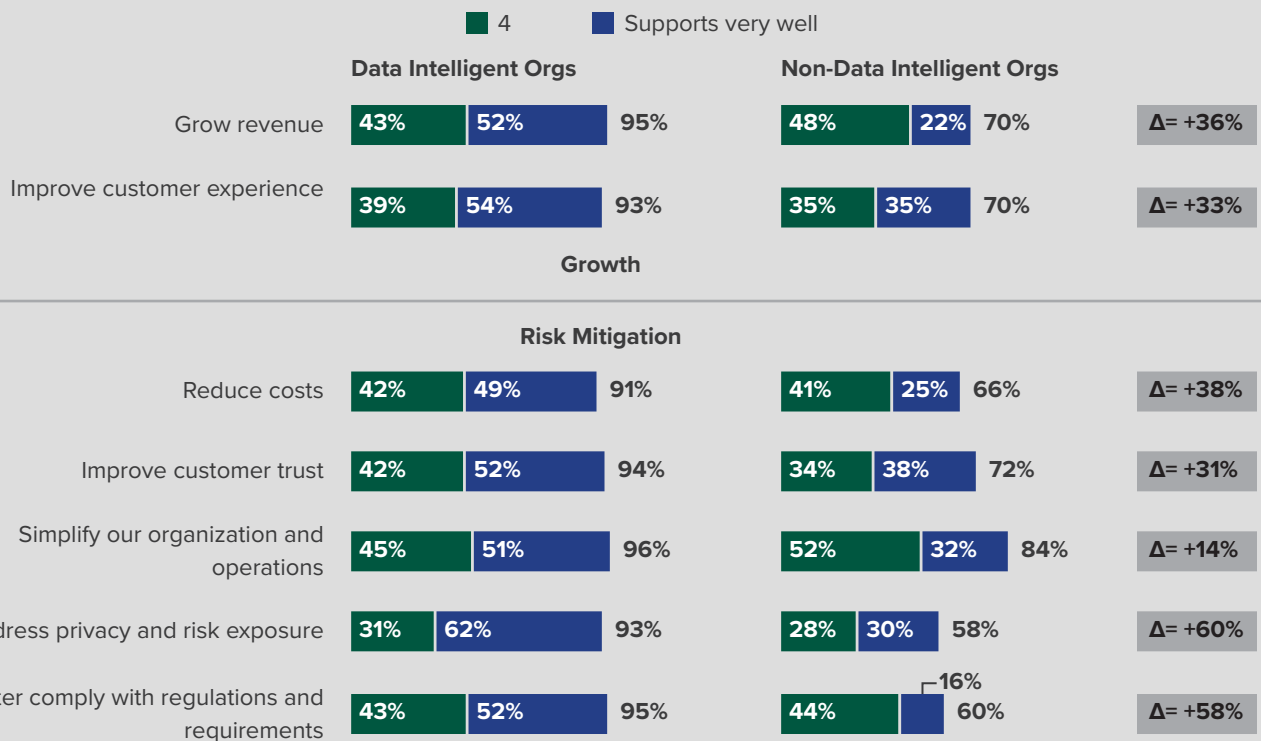
Data-centricity is even more important to data intelligent organizations, 94% of whom say it’s very important or critical – compared to only 66% of non-data intelligent organizations.

What's behind this sense that data-centric decisioning is critical? It's the ways in which harnessing data can unlock an organization's capacity to achieve its most important business objectives. Study respondents put cost savings, growth, and improving the customer experience at the top of their business priorities when Forrester collected the study data in February. And we know that data intelligent organizations are considerably more successful in reaching these objectives compared to those that don't put data at the center of their business decisions.

Furthermore, events that occurred during the weeks after the study data was collected suggest that risk mitigation strategies can arguably be as important — if not more so — than growth objectives in moments of economic uncertainty. Here too, data intelligent organizations show they are more adept at key areas like addressing privacy and risk exposure, simplifying organizational and operational hierarchies, complying with regulations and requirements, and improving customer trust. Data intelligent organizations were considerably more likely to say their data management strategies support business objectives than their less mature peers. This applied for both growth (grow revenue +36%) and risk mitigation (better compliance with regulations and requirements +58%) objectives (see Figure 2).

Figure 2

“How well does your current data management strategy support your organization’s key business objectives?”



Base: 665 global business analysts

Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

TOO MANY ORGANIZATIONS ARE WAITING ON THE SIDELINES OF DATA-DRIVEN TRANSFORMATION

Despite broad agreement around the importance of effective data management, organizations differ widely on how effectively they pursue this vision. For example, nearly half of organizations fail to always or even routinely put data at the core of their business decisions. Australian respondents were most likely to routinely or always leverage data for decisions (66%), followed by organizations in North America (62%) and Europe (52%).

Leading with data requires an enterprise to successfully navigate seven pillars of data management and, not surprisingly, more mature organizations enjoy significant advantages with each.

- › **Discover:** For data to be transformational, relevant stakeholders must be able to find it as efficiently as possible.
- › **Access:** In order to leverage insights, relevant stakeholders must be able to get to and work with the data they need.
- › **Understand:** Data users have to easily understand the data they're accessing and using.
- › **Collaborate:** Data users must break down silos and be empowered to work cross-functionally.
- › **Share:** It must be easy to contribute and publish data and insights to the organization.
- › **Trust:** Stakeholders must know the data they use is clean and accurate.
- › **Execute:** Organizations must leverage data effectively to drive business outcomes.



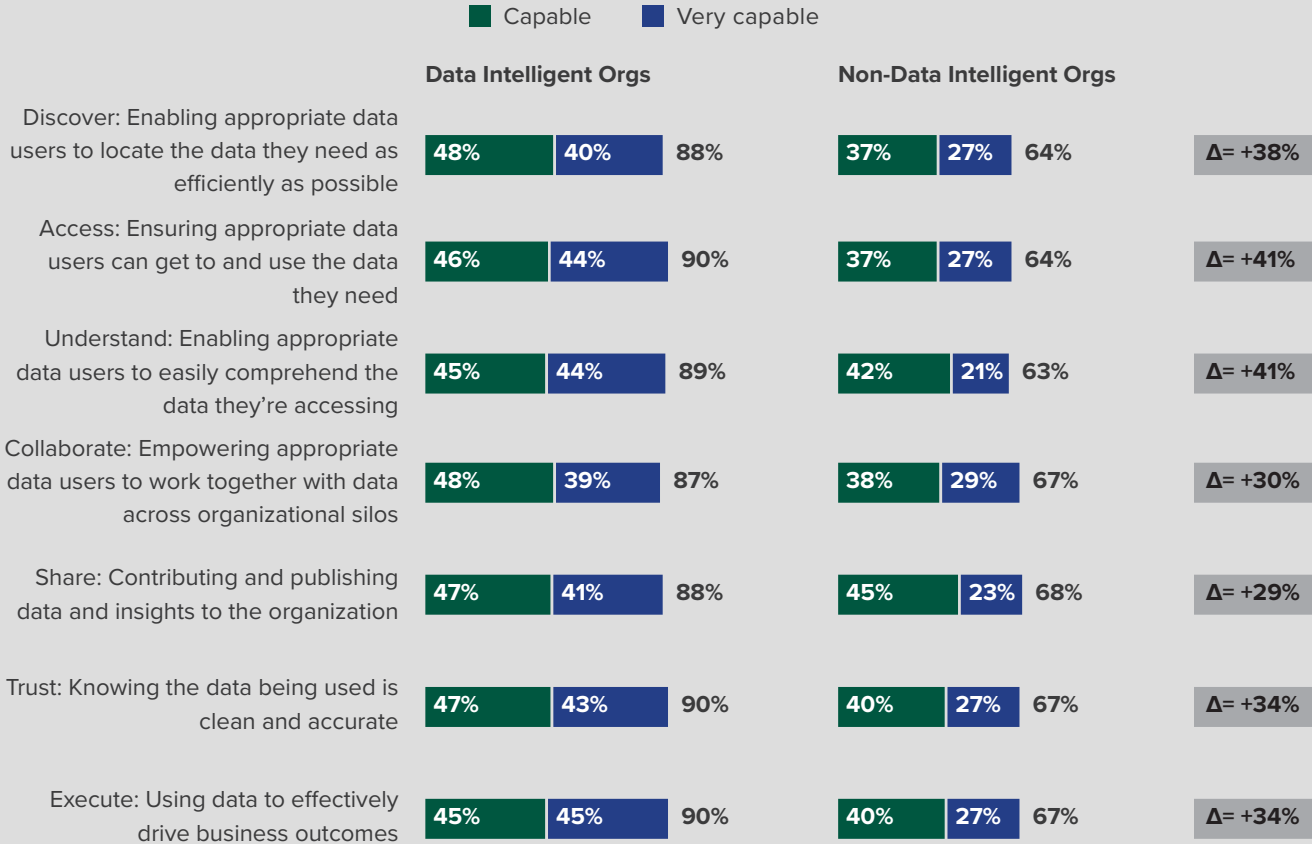
Effective data management requires confidence and coordination across multiple disciplines.

Data intelligence lends itself to success across each of these data management pillars. Nearly all data intelligent organizations rated themselves as capable or very capable across each pillar. Moreover, data intelligent organizations are excelling within a relatively mature field, where even two-thirds of less mature orgs have made strides in managing their data (see Figure 3).

Each of these key data capabilities empower organizations to harness data more effectively to drive transformation aligned to customer needs and deliver customer value. In doing so, they also promise to elevate the role of data and insights within an organization while empowering business analysts to help set the course. However, business analysts at many organizations are still mired in mundane tasks like pulling and prepping data, validating hypotheses, and creating reports. While these are critical tasks, many of them can be streamlined or automated so insights professionals can spend their time on more value-added and strategically beneficial work.⁵

Figure 3

“How would you rate your organization’s capability for each of the following dimensions of data management?”



Base: 665 global business analysts
 Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

Optimized, Insights-Driven Decisions Demand Effective Data Management Strategies

Data management automation serves to improve discoverability, enhance clarity, and empower insights generation and sharing. That effectively reduces time wasted on manual data management tasks. These rote processes often take up a significant portion of data analysts' time and deprives them of an opportunity to add real business value. Respondents globally said they spend 14% of their average work week performing actual analysis and 10% sharing results to the organization. That leaves nearly three-quarters of their time for tasks that more effective and automated data management strategies could handle for them (see Figure 4).

Figure 4

“Approximately what percentage of your work week do you spend on each of the following data tasks, on average?”

(Not showing “don’t know.”)



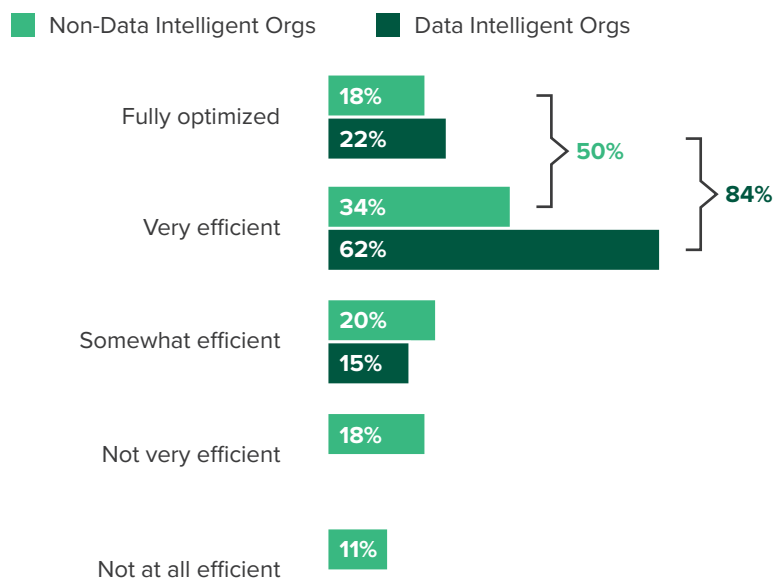
Base: 906 global business analysts
Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

Manual data management tasks rob organizations of the ability to create, communicate, and act on data insights.

This represents a massive waste in talent and employee productivity, and it's especially hard on less mature organizations that were 41% less likely than data intelligent organizations to say their data management processes are very efficient or fully optimized today. These less-mature orgs are also 55% less likely to say their data management strategies positively contribute to drive optimal business decisions (see Figure 5).

Figure 5

“Overall, how efficient do you believe your data management processes are today?”



More mature organizations create optimized data management practices by freeing stakeholders to avoid rote tasks in favor of adding strategic value.

Base: 665 global business analysts
 Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

TRULY MATURE ORGANIZATIONS ARE DRIVEN TO CONTINUOUS IMPROVEMENT

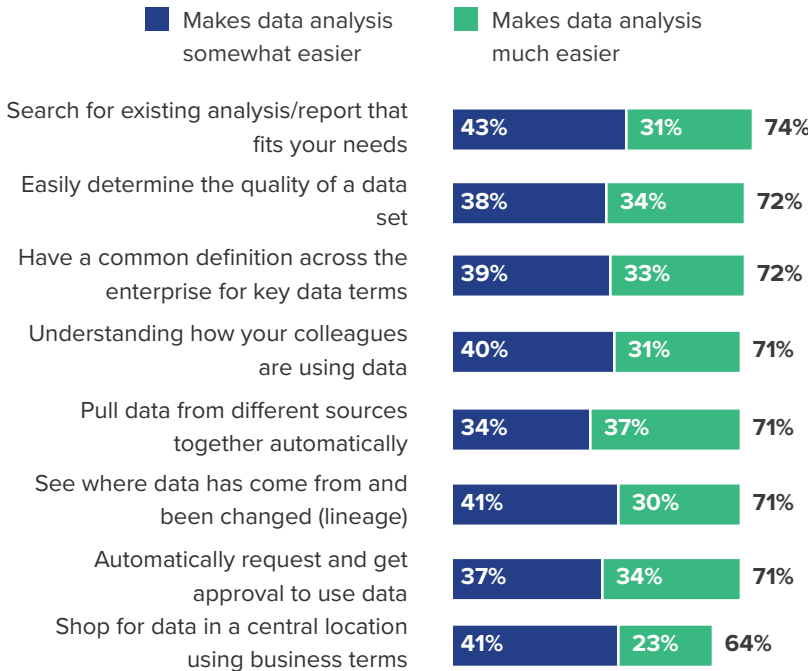
Despite the clear and fundamental advantages data intelligent organizations have in managing data and executing analysis, they remain laser-focused on continuous optimization — specifically on value-adding tasks. Data intelligent organizations told Forrester their primary area of focus for improvement is in their ability to execute data analysis and drive business outcomes. Less-mature companies are keen on driving execution too; but they were as likely to cite a need for improving their organizations' trust in their data. That indicates a superseding requirement to more effectively audit and clean their data. After all, executing on bad information can be an even more significant problem than not acting at all.

As data intelligent organizations continue to improve their data management strategies and processes, the gap will only widen between them and organizations that do not devote themselves to connecting their data, insights, and algorithms together to drive business and customer value.

Data Management Tools Unlock Insights-Driven Differentiation

Effective business analysts demand simple, agile, integrated, cost-effective, and highly automated solutions to support insights generation and sharing.⁶ Respondents told Forrester they were hungry for tools that streamline the process of locating, trusting, and collaborating across their enterprises. More than six out of 10 respondents reported that solutions that make it easy to search for analysis, automate data access, empower collaboration, and manage data quality and access will significantly aid data analysis and insights generation for them (see Figure 6).

Figure 6
“What effect would or do each of the following capabilities have on your ability to conduct data analysis?”



Effective data analysis flows when organizations reduce friction in finding,

Base: 906 global business analysts
 Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

MORE MATURE ORGANIZATIONS TO INCREASE INVESTMENT IN DIFFERENTIATING DATA MANAGEMENT CAPABILITIES

When organizations can unlock the power of their data, they are more effective at avoiding risk and driving business value. As a result, more-mature organizations are ramping up investment in data management tools over the next two years, outpacing less-mature organizations. While 64% of all respondents — including 72% in Australia, 68% in North America and 62% in Europe — plan to increase their investment in data management technology in that time, data intelligent organizations are doubling down on accelerating their differentiating capabilities. They are 52% more likely to increase spend on data management tools than non-data intelligent organizations and 133% more likely to increase that investment substantially (by 10% or more).

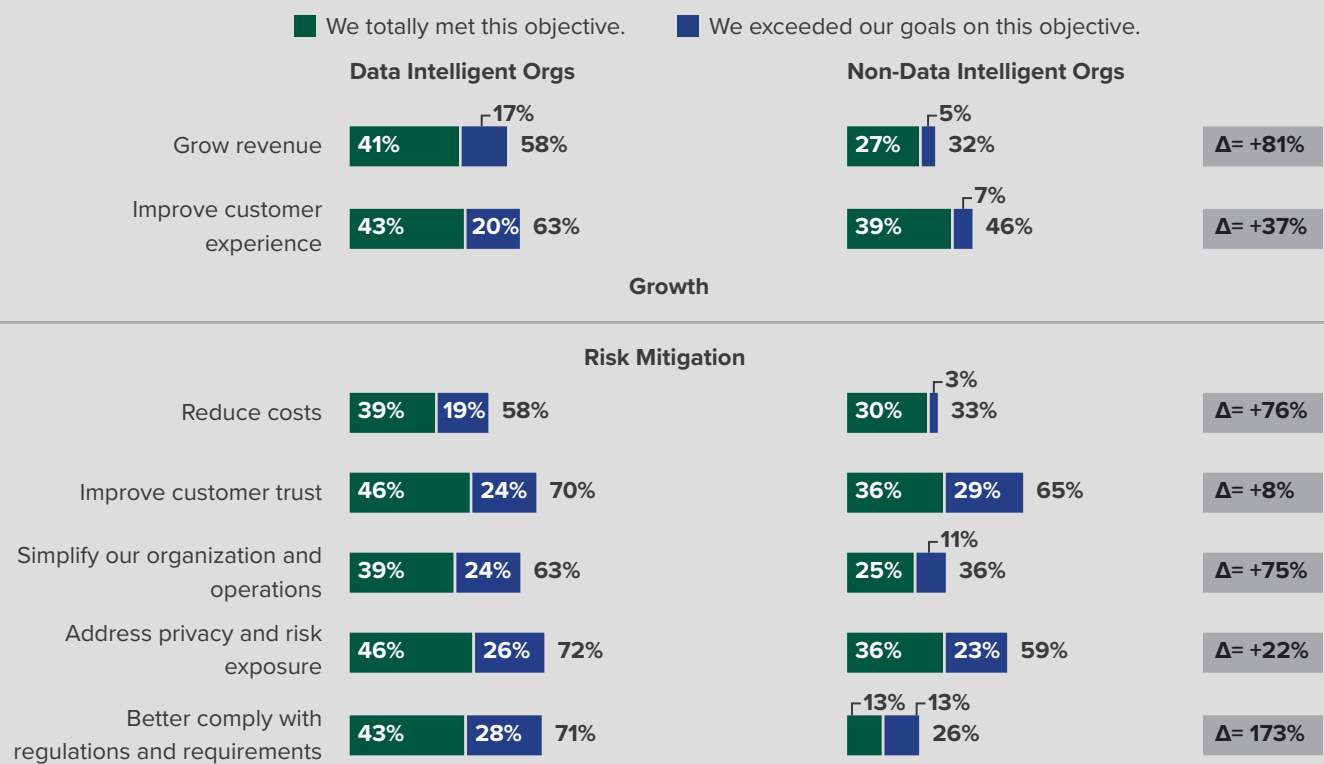
This investment follows proven business success too. Data intelligent organizations are more successful across objectives, from a relatively modest 8% advantage in improving customer trust to a massive 173% advantage over non-data intelligent organizations in better compliance with regulations and requirements (see Figure 7). More fundamentally, data intelligent organizations beat their revenue goals. They are 58% more likely to have said they exceeded revenue goals last year, and 162% more likely to have said they significantly overperformed.



Data intelligent organizations were 162% more likely to significantly overperform on revenue goals last year compared to less-mature organizations.

Figure 7

“Which of the following best describes your organization’s success against its key business goals this year?”



Base: 665 global business analysts

Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

Harnessing and applying data and analytics at every opportunity to differentiate products and services while mitigating risk is becoming a prerequisite for success across industries.⁷ To properly distill the multiple technologies, people, processes, and data required to effectively harness customer information, organizations need to take multiple steps, starting with a fundamental and cultural shift towards data intelligence.

Data intelligent organizations have set a culture devoted to connecting data, insights, and algorithms to the key stakeholders that need it, while automating rote data management tasks and freeing their people to focus on uncovering insights and driving business value while mitigating risk in strategic decision making. As they do so, they outpace the competition, seize significant customer benefits, and avoid downside risk.

Key Recommendations

Forrester's in-depth survey of business analysts about data management strategies yielded several important recommendations:



Align your culture to insights-driven decisioning. It's a management consulting truism that culture eats strategy for breakfast. Data intelligent organizations utilize their advanced data and analytics capabilities to power innovation through self-service data analytics, but nobody waved a magic wand and turned everyone into data experts overnight. The past couple years have seen a rapid rise of formal data literacy programs to educate a broad variety of roles across enterprises, focusing on data awareness for all, comprehension of data issues, the development of data skills, and an effort to scale data management.



Audit your data management capabilities across key dimensions and keep aiming for continuous improvement. When asked what they wished they had known when they started, experienced chief data officers often called out the importance of change management as a key enabler. Becoming a data intelligent organization requires significant changes in how data is discovered and accessed, how roles collaborate across organizational boundaries, and how to enable innovation and agility while providing data in a secure and well-governed way. Progressing to the emerging "data ops" model that characterizes organizations that harden and automate proven data pipelines via this agile and collaborative process model requires carefully evolving capabilities across the data and analytics lifecycle.



Demand more from your data management partners. There is no need to make the complex journey to data intelligence alone. Look to technology partners and service providers that have solved your problems many times for help to accelerate your progress. Use expert advice to build your data architecture with a stack of best-of-breed components suited to your needs or, better yet, select a comprehensive platform that reduces complexity and enables rapid time-to-value.



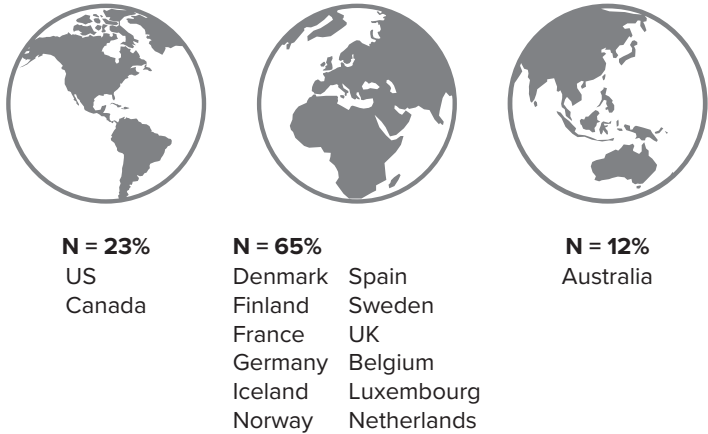
Nurture your data champions and let them move your organization forward. Strong data and analytics leadership makes a big difference in the transformation into an insights-driven organization. These leaders typically form centers of excellence (CoEs) for insights that advance data literacy by defining best practices and sharing them across their enterprises. This centralized program management approach seeks to connect with communities of data-driven individuals to build a culture that is passionate about achieving data intelligence and creating an insights-driven business. Making data self-service requires just such a collaborative community combined with technology that both enables and controls through embedded data governance policies and AI-driven automation.

Appendix A: Methodology

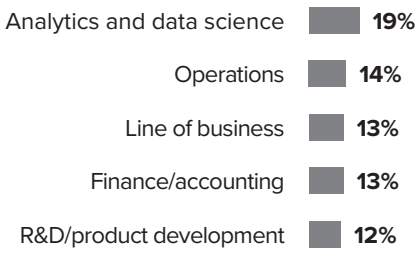
In this study, Forrester conducted an online survey of 906 global business analysts to evaluate the state of data management maturity and culture. Survey participants included business analysts in data science and analytics, operations, lines of business, finance and accounting, and R&D/product development. Questions provided to the participants asked about their data management practices, challenges, and objectives. Respondents were offered a small monetary incentive as a thank you for time spent on the survey. The study began in January 2020 and ended in May 2020.

Appendix B: Demographics

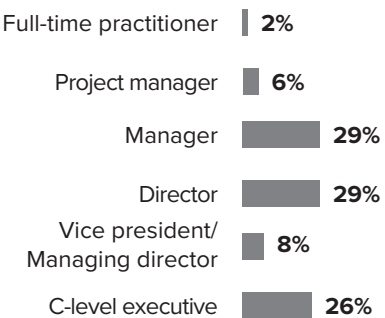
GEOGRAPHY



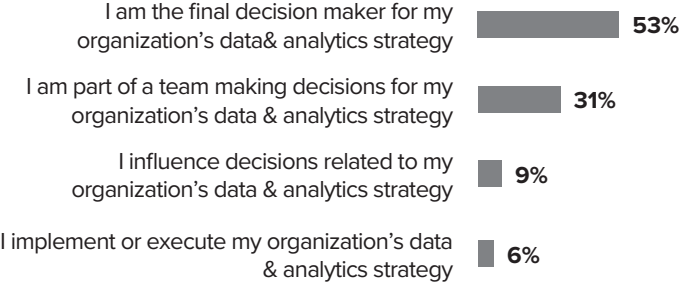
DEPARTMENT AT ORGANIZATION



POSITION AT ORGANIZATION



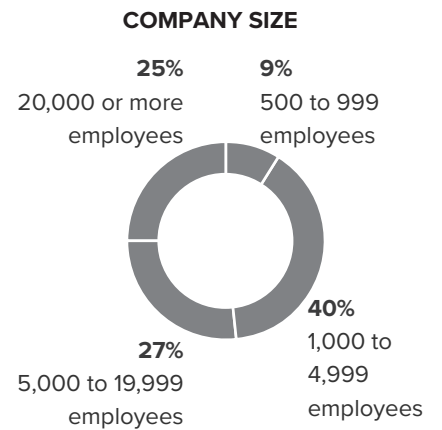
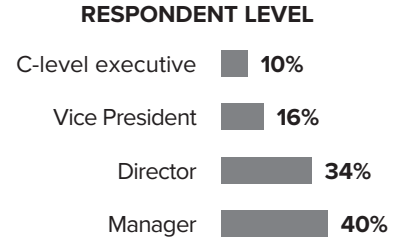
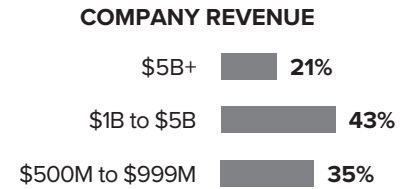
“What is your level of responsibility when it comes to data and analytics strategy at your organization?”



DATA INTELLIGENCE ADOPTION



Base: 906 global business analysts
 Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020



Base: 906 global business analysts
 Source: A commissioned study conducted by Forrester Consulting on behalf of Collibra, May 2020

Appendix C

ENDNOTES

- ¹ Source: “The Data Management Playbook For 2020,” Forrester Research, Inc.
- ² Source: “Insights-Driven Businesses Set The Pace For Global Growth,” Forrester Research, Inc., October 19, 2018.
- ³ Source: “Build An Insights-Driven Business,” Forrester Research, Inc., December 10, 2019.
- ⁴ Source: “Gauge Your Insights-Driven Business Maturity,” Forrester Research, Inc., February 10, 2020.
- ⁵ Source: “Organizational Intangibles Will Make Or Break Your Data And Analytics Practice,” Forrester Research, Inc., February 28, 2020.
- ⁶ Source: “The Forrester Wave: Data Management For Analytics,” Forrester Research, Inc., February 12, 2020.
- ⁷ Source: “Research Overview: Data, Analytics, And Insights,” Forrester Research, Inc., January 27, 2020.