

# **Previsant Insights: Why Leverage a Data & Analytics Strategy?**

## **Overview**

Our experience is that leveraging a holistic data & analytics strategy helps ensure a successful implementation and a sustainable environment in the long-term. We've also seen data and analytics efforts executed without a well-defined strategy and roadmap, and they typically end in expensive, mis-aligned efforts that are re-booted or end in negative ROI. IN other words, the dreaded "science experiment"

We're sharing some additional perspective on the "why strategy" based on our experience.

## **Strategic Alignment:**

Understanding an organization's strategic goals, product vision and key differentiators across the value chain helps ensure optimized investment in data and analytics. For example, a firm that differentiates based on customer experience may invest in data and analytics to fully understand customer interactions, how those interaction impact customer satisfaction, and where to invest in CX to ultimately optimize customer loyalty and revenue.

We've found that this activity drives a internal focus on organizational strategies and differentiators, and is invaluable in helping organizations leverage data and analytics not just as table stakes, but to differentiate themselves in the marketplace.

## **Business Alignment:**

A data and analytics strategy and roadmap help align data initiatives with overall business goals. By understanding the strategic objectives of the organization, a roadmap can identify key data and analytics initiatives that directly contribute to those goals. For instance, a company aiming to improve customer satisfaction and net promoter score (NPS) may prioritize initiatives that focus on personalized recommendations based on customer data.

We've found this step to be critical to a driving common understanding of "why", and is the foundation for executive support, buy-in across the organization and is the basis for value measurement and ongoing investment.

## **Change Management and Stakeholder Engagement:**

A strategy and roadmap facilitate effective change management and stakeholder engagement. It helps communicate the benefits, goals, and progress of the data and analytics initiatives to key stakeholders. This promotes buy-in and ensures that all relevant parties are aligned and supportive throughout the implementation process. For instance, an organization may create a change management plan to create awareness and support innovation around data & analytics.

In our experience, stakeholder engagement across the organization enables significant benefits. At the top level, an engaged executive team is invaluable in helping to drive adoption, evangelizing value, and ultimately enabling sustainability. Thought leaders and knowledge workers that consume and leverage D&A are also key to driving support and fueling innovation and value by introducing and prioritizing analytical capabilities and business questions.

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### **Measurable Success and Continuous Improvement:**

A data and analytics strategy and roadmap provide a framework for measuring success and driving continuous improvement. By defining clear metrics and KPIs, organizations can monitor the progress and impact of their initiatives. This enables data-driven decision-making regarding adjustments, refinements, or expansion of data and analytics efforts. An e-commerce company's strategy and roadmap may include regular performance evaluations to assess the impact of data-driven personalization on conversion rates and revenue.

We've found this activity to be critical for ensuring a sustainable data & analytics ecosystem. We've found that the ongoing focus on demonstrating value helps ensure that D&A efforts become self-funding and are ingrained in ongoing business processes.

### **Clear Direction and Prioritization:**

A well-defined strategy and roadmap provide a clear direction for data and analytics initiatives. It outlines specific goals, milestones, and timelines, enabling teams to prioritize efforts effectively. This ensures that resources are allocated efficiently, and initiatives with the highest impact are addressed first.

### **Talent Strategy and Optimization**

A strategy and roadmap effort helps drive a talent strategy for data and analytics initiatives. By identifying dependencies, risks, and resource requirements upfront, organizations can allocate the necessary budget, technology, and skilled personnel accordingly. This prevents unnecessary delays, bottlenecks, or overutilization of resources. A company's strategy and roadmap may identify the need for additional data engineering resources to support the implementation of a real-time monitoring system.

We find this effort to be especially important in an environment where the demand for machine learning (ML) and artificial intelligence (AI) continues to emerge. Defining the types of business and technical roles required to create these capabilities is key to ensuring ongoing value.

### **Risk Mitigation:**

A strategy and roadmap effort enables proactive risk mitigation for data and analytics initiatives. It identifies potential risks, such as data security, privacy concerns, or regulatory compliance, and outlines mitigation strategies. This ensures that potential roadblocks are addressed early, which minimizes disruptions and ensures a smooth implementation. A company's roadmap may include a risk assessment for data governance and compliance to ensure adherence to regulatory standards.

### **Summary**

While this is not an exhaustive list, these are some of the key factors that we believe describe the "why" behind a data & analytics strategy. One of Previsant's guiding principles is that Data & Analytics is a joint venture between business and technology. With that, investing time to drive strategic and business alignment, stakeholder engagement and optimized return on investment are absolutely worth the effort.