

# Data enablement:

Building a foundation of trust and governance in the data-driven era

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## Methodology

Experian produced this study in July 2019 to understand how organizations are enabling the use of data across the business. Specifically, we looked at how companies were investing in data initiatives, with a focus around data governance, how data enablement was driving businesses to become data-driven, and the technology, tools, and culture in place.

The survey was conducted by Insight Avenue on behalf of Experian and focused on 517 employees in U.S. organizations with visibility into their data management practices. Survey respondents were from organizations of more than 250 employees and represented an array of industries, such as information technology, business services, finance and insurance, retail, telecommunications, public sector, education, and healthcare.



# Contents

1. Introduction .....	4
2. Lots of data initiatives, but limited results .....	6
3. Many are struggling to be data-driven, but some are succeeding .....	8
4. Profile of a mature organization .....	11
5. Enabling everyone to leverage data.....	12
6. IT vs the business: where does data enablement live?.....	15
7. Conclusion.....	16



# 1. Introduction

Business leaders want to be more data-driven to leverage the power of insight to better engage customers, operate more efficiently, and make the right strategic business decisions. Without it, the fear is that your competitors could leave you in the dust. But becoming data-driven and properly enabling the organization to fully leverage data comes with its challenges.

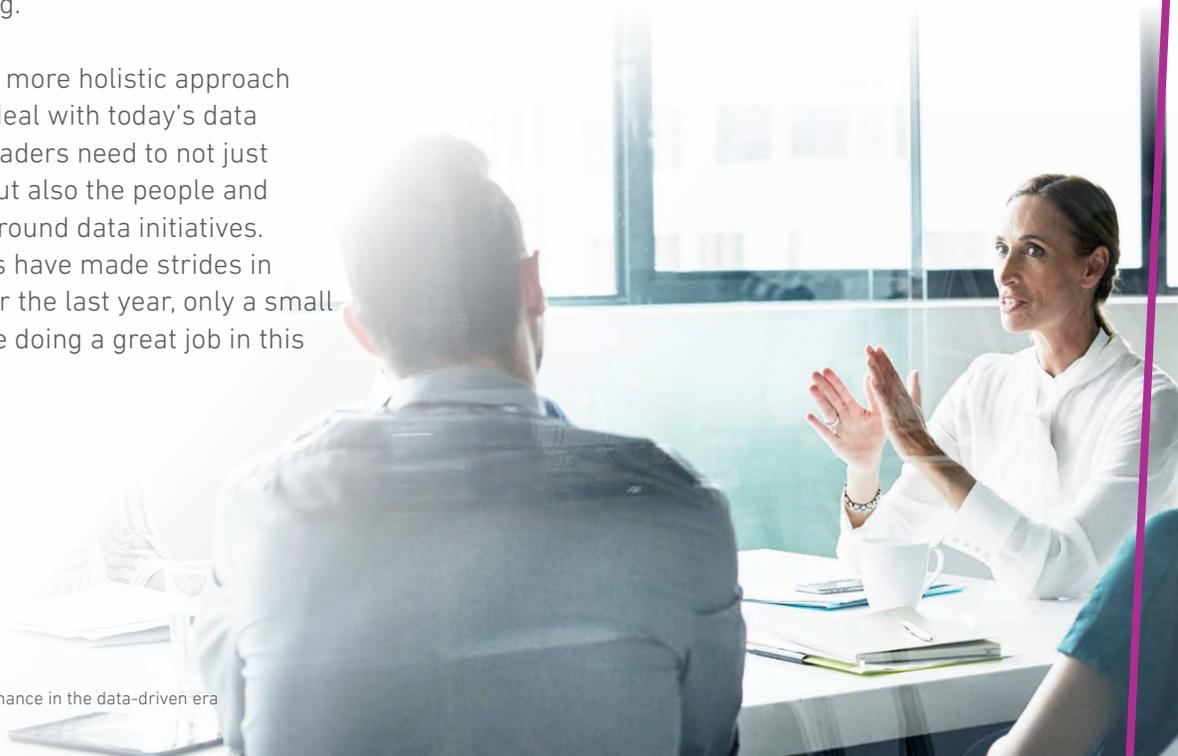
Data is confusing. It is complicated, dirty, and spread out all over a business. By now, it's likely your organization has undergone a few data initiatives to fix these challenges, potentially centered around analytics or big data. However, chances are this project was just that, a one-off implementation of a piece of technology. With that approach, organizations are not achieving the desired level of results.

The challenge is that many organizations are operating with a deficit before the first investment is even made. Business leaders often underestimate the level of data debt within their company and do not realize it is dragging down the benefit of new technologies. In addition, there is a lack of data literacy that prevents communication with a common level of data understanding.

Fixing bad data requires a more holistic approach that is flexible enough to deal with today's data requirements. Business leaders need to not just consider the technology but also the people and organizational structure around data initiatives. Although many companies have made strides in areas like data quality over the last year, only a small percentage report they are doing a great job in this area.

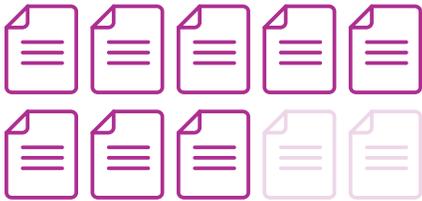
To become data-driven, organizations need to enable data usage across the business. That requires a new approach and a look at the foundation of data management. When data enablement is done correctly, it can have a big impact on major business initiatives like customer experience, risk management, and compliance. We see that organizations who are more mature in data quality are more likely to report strong outcomes.

➤ **This research will discuss how organizations are investing in initiatives today to better leverage data, the challenges around becoming a data-driven organization, and how data enablement is coming forward as a new way to think about data initiatives.**



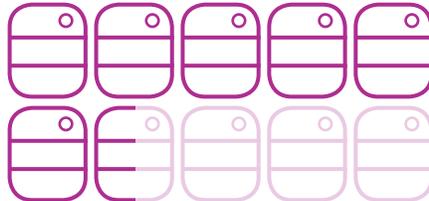
## 80%

say they have a lot of big data projects that are ongoing



## 65%

say inaccurate data undermines key initiatives



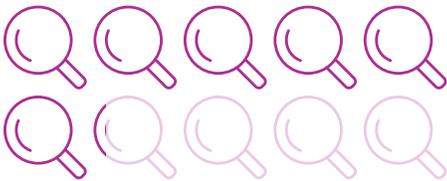
## 61%

say they have traditionally underinvested in data quality



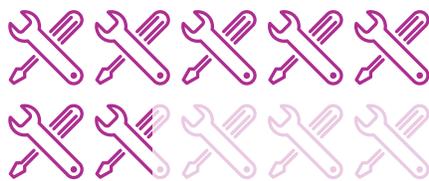
## 61%

say it takes too long to get actionable insights from data



## 57%

say data enablement is a key focus over the next 12 months



## 11%

of businesses believe they are mature in their data quality initiatives



**Improved data usage** is reported to allow compliance with regulations, enable better decision-making, and improve customer experience.

## 2. Lots of data initiatives, but limited results

Executives across every major industry are investing in data. They are currently focused on a wide variety of initiatives across a few trending data management disciplines. The top projects are data quality, big data analytics, and data governance. Our research shows some interesting trends around the level of maturity in these areas and common challenges.

**First, data quality.** Businesses have identified this foundational discipline as an area for investment. It is not surprising. We see when companies reach a certain level of maturity, they are more likely to see positive data outcomes. Despite being an area where companies have traditionally underinvested, 93 percent of businesses report progress with data quality in the last 12 months. There is a wide range of maturity in this area varying from a limited knowledge of data quality to a fully mature and optimized organization.

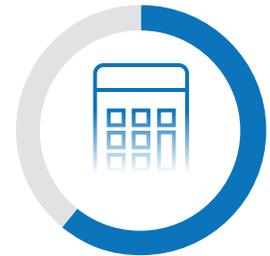
**Next is big data analytics.** Eighty percent of respondents state they have a number of big data projects in progress, and 79 percent say they are focused heavily on analytics and how they can gain more insight from their data. While most organizations are working on this area, many are struggling with 88 percent reporting challenges leveraging data for analytics. The biggest challenges cited are a lack of access to all the information needed, high volumes of data to analyze, and the length of time to prepare the data for insight.

**Finally, data governance.** Many companies are investing in data governance to understand how data is used, to comply with regulations, and to improve the quality of decision-making. We also see another 41 percent are looking to monetize data with the use of data governance. However, data governance also brings many challenges, from convincing people to follow new data rules to not having enough knowledgeable resources. Eighty-four percent of companies face challenges around data governance.

Underpinning all of these are machine learning techniques across every data management initiative. Seventy-nine percent of companies report value in applying machine learning techniques to a variety of data management applications. Most are looking to leverage this technology to improve operational efficiency, followed by financial forecasting.

61%

say they have traditionally underinvested in data quality

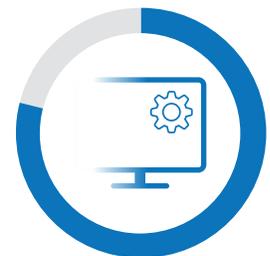


As you can see, there is certainly not a shortage of investment in data management initiatives. In most cases, much of this investment is coming out of IT. Fifty-eight percent of respondents say data management primarily sits with IT, while 42 percent report that it primarily sits with business users.

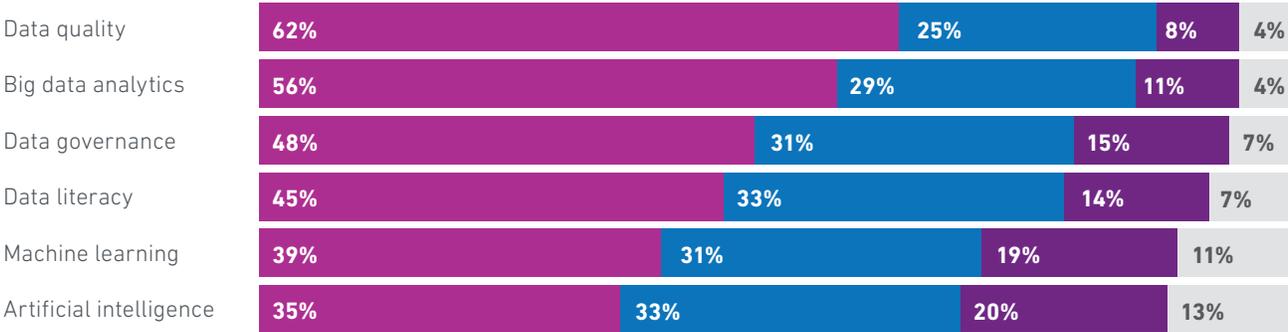
However, while we see a large degree of investment in data, we still see a number of challenges. The majority of companies are not seeing their desired return on investment. In fact, 69 percent of respondents say that despite many ongoing data initiatives, their organization struggles to be data-driven.

79%

of companies see value in applying machine learning techniques to a variety of data



Graph 1 - Data initiatives being undertaken



■ Currently undertaking ■ Plan to undertake in next 12 months ■ On the radar, but with no fixed timeline ■ Not planned / considered



**Fifty-eight percent** of respondents say data management primarily sits with IT, while 42 percent report that it primarily sits with business users.



### 3. Many are struggling to be data-driven, but some are succeeding

Businesses are investing in data management but still lack data quality maturity. Sixty-five percent of respondents say inaccurate data is undermining key initiatives. In addition, 69 percent say that despite many ongoing data initiatives, their organization struggles to be data-driven.

Each organization is unique in its approach to data, and there is certainly no one-size-fits-all plan for managing information assets. Often data management falls into different areas of each business, there are varying levels of maturity, and every initiative should not and cannot be set up the same way for each company.

That said, our research shows certain organizations are having more success than others. For companies that are successful in being data-driven, there's a reported investment in data practitioners—especially a CDO (chief data officer)—and a maturity in terms of data quality practices. These organizations are also more likely to see data management as a continuous process rather than a one-off project.

**Our research shows us common themes emerging for most businesses in each of these areas.**

1

#### Every department for itself

Much of the investment in data management happens within individual business pockets. Sixty-nine percent of companies report most data management initiatives occur in individual departments—and only a few on an enterprise level. The departments that are the most advanced when it comes to using data for decision-making are logistics and operations (44%), finance (39%), marketing segmentation (36%), and senior management (34%).

The siloed approach occurs in all data management disciplines. When reviewing data governance, for example, our research shows that many organizations are struggling to adopt an organization-wide perspective. Only 29 percent of companies are taking a holistic

2

#### The elephant in the room—data quality

Data quality is a foundational discipline. Without trusted data, it makes it very difficult to move forward on pretty much any data project within the business. Despite its importance, 61 percent of respondents say they have traditionally underinvested in data quality.

While our research shows 93 percent of respondents think they have made progress with data quality in the last 12 months, we still see a low level of data quality maturity overall. Only 11 percent of businesses believe they are mature in their data quality initiatives. That 11 percent is less likely to have inaccurate data undermine initiatives and is more likely to qualify as data-driven.

Despite that success, more than half of companies are still at the bottom two levels of data quality maturity. That means while companies report having made improvement, many still have a long way to go to make the data work for the business.

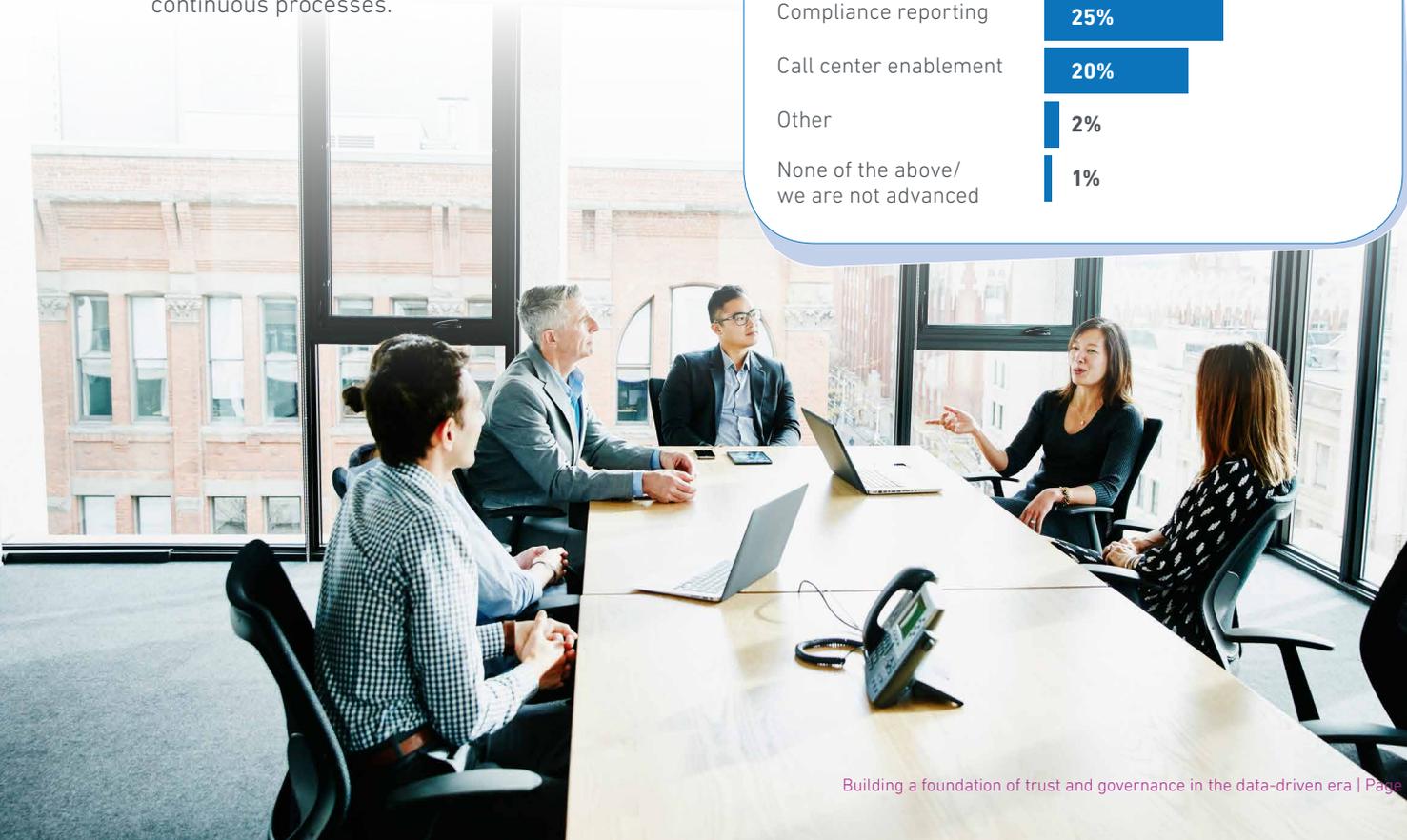
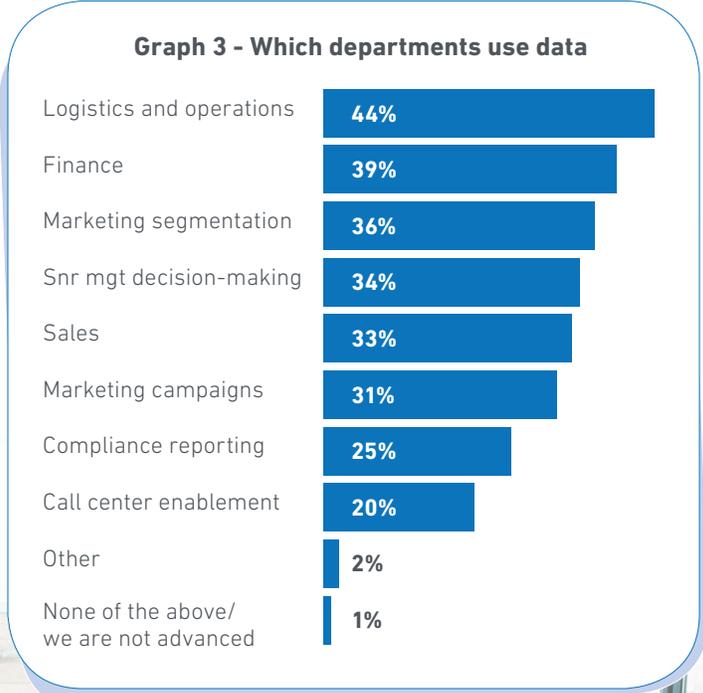
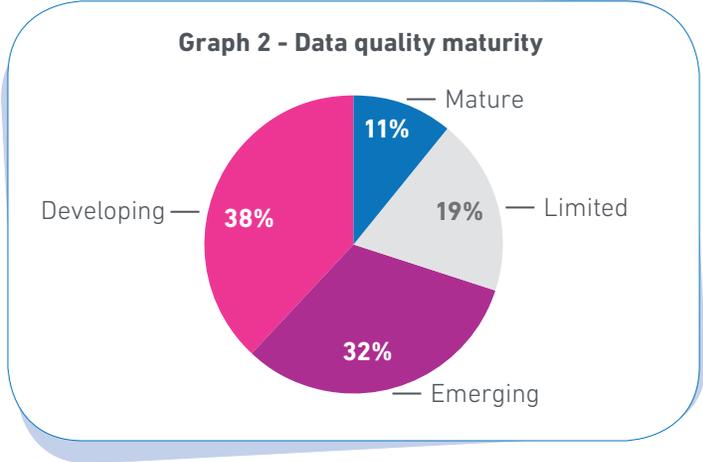
3

**Project vs discipline**

Companies have two different ways to approach the management of data. Some look at data quality, master data management or data preparation as a technical project and scope out the initiative, buy a piece of technology, and then solve within a set amount of time. These organizations will do an initial clean-up, and then the information should be all set. There is typically a technical scope and budget allocated for a finite period.

Other companies take a different approach and look at data management as an ongoing business initiative that ties to specific outcomes. For example, a company may look at cleaning its data on an ongoing basis, ultimately preventing bad information from entering its system to enable revenue generation while driving a better customer experience through accurate data. This is an ongoing initiative that never stops.

Our research shows organizations are split as to whether data management is seen more as a series of one-off projects or as a set of continuous processes.



4

**The data debt few are discussing**

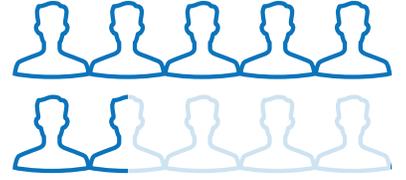
Another large challenge we see is data debt. This is a relatively new concept to the market.

**Gartner defines data debt as:**

'The accumulated cost that is associated with the suboptimal governance of data assets in an enterprise. All (non-theoretical) organizations are suboptimal in data and analytics governance. Since no enterprise can operate at 100% effectiveness in data and analytics governance, time, effort and cost are associated with meeting the deficit between the ideal condition of data that is required for business needs and what is actually available.'

Gartner, 5 Steps to Build a Business Case for Data and Analytics Governance That Even Humans Will Understand, April 2019.

65%



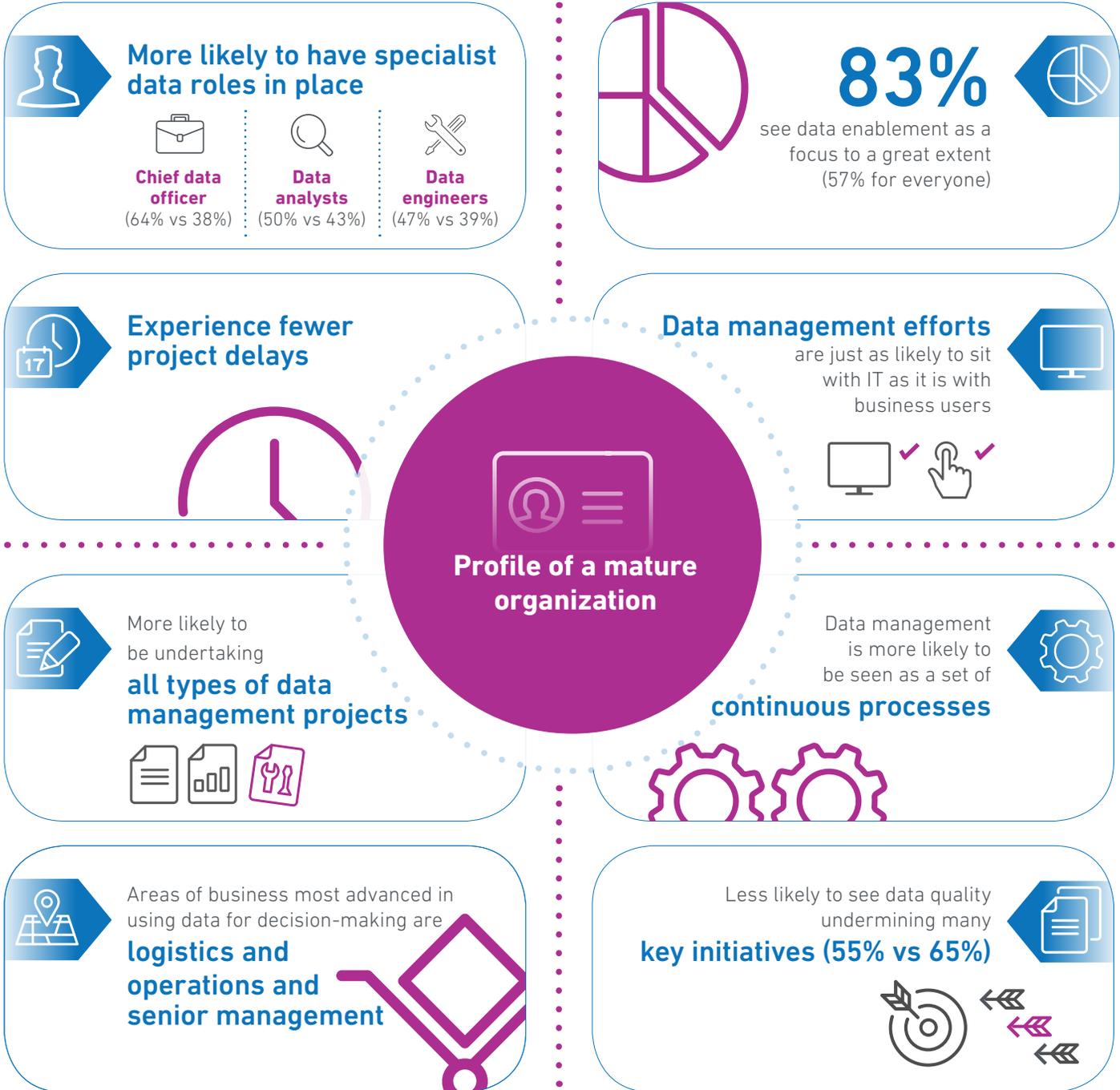
say inaccurate data is undermining key initiatives

Data debt is a lot like technical debt. If you are operating with a large degree of data debt, it doesn't matter how much you invest in projects like machine learning, analytics, and AI. Without a foundation of accurate data that is governed in an appropriate way, these initiatives will not help an organization become more data-driven. The insight these operations provide will not be trusted, and therefore, it will not yield a positive outcome.

**As businesses move forward with data initiatives to fully leverage data, it is vital to empower the full organization and communicate more effectively with one another.**

## 4. Profile of a mature organization

Data quality maturity can give us a good indication of companies that are doing something right around data management. We can see from our research that companies of all industries and sizes can achieve a level of maturity that provides trusted data to the business. However, there are a few things this group is more likely to do than the norm.



## 5. Enabling everyone to leverage data

A lack of success in leveraging data is leading many organizations to adopt new approaches. Data is no longer just something relegated to IT—it moves throughout the business, affecting every employee and customer. Organizations need to empower more business users to leverage data insights effectively.

Data enablement—a relatively new concept to the market—empowers a larger group of individuals within the business to understand and harness the power of data and analytics.

For the purpose of this study, we define data enablement as the practice of empowering individuals in a business with the support and tools they need to responsibly leverage trusted data to achieve real business outcomes.

While this is relatively new, the majority of the businesses we surveyed have it on the radar and are working to find solutions to enable the use of data. Data enablement is a key focus over the next 12 months for 57 percent of organizations, with a further 41 percent reporting to some extent. An organization cannot achieve its data-driven objectives unless individuals in the business have trusted data and the tools they need to analyze and make decisions with that information.

There are also some common ways organizations are looking to enable better data usage. Our research shows that organizations are looking to: provide standardized data across departments (48%), better utilize data governance to ensure the proper usage of data (47%), and put data professionals in data-driven departments (42%). For those that have undertaken these initiatives, more than 95 percent report these actions have resulted in better business outcomes.

When companies achieve these results it can lead to incredible outcomes. The main outcomes of enabling improved data usage include: compliance with regulations (58%), enabling better decision making (56%), improving customer experience (56%), and better understanding the customer (55%). Another 54 percent of respondents say they have been able to reduce risk by improving data usage. These are all key objectives that many businesses are looking to improve.

To create a practice around data enablement, companies cannot just frame the program simply around data, but also the talent, the technology, and the culture of the organization. As you can see from the applications of data enablement, many of these areas are being considered, but not necessarily holistically. That could be why 89 percent of respondents say they have challenges in enabling the use of data. The new study gave insight into each of these distinct areas.



### Starting with the right people

With any new initiative, there is a rush to hire. Data professionals are in high demand and many organizations are competing for talent. Sixty-four percent report a limited number of data professionals in their organization. In addition, the top challenge for enabling data in the organization is a lack of skilled human resources.

People are essential. Without the right talent, it can be difficult to move these initiatives forward. However, when it comes to data enablement, it is about empowering the masses to leverage data more effectively. That means organizations need a core group of data professionals, but then they need to think about technology and culture to spread that message to other business professionals.

In terms of the core data practitioners, a few roles are emerging. Organizations are likely to employ data analysts, data engineers, CDOs, and data governance managers to help with data enablement. While these individuals can have wide-reaching impacts on the business, they most often fall into the IT reporting line.

This is not surprising. While the responsibility for data enablement varies, it typically resides within

IT. However, you also see pockets of management happening in finance, senior leadership, marketing, and the office of the CDO.

2

**Technology for everyone**

As part of data enablement, you need to expand the usage of technology. Traditionally, most people think of data management technology as something for IT professionals. However, more vendors are starting to produce software specifically designed for business users to enable their use of data assets.

In terms of technology specifically designed for data enablement, the tools most likely to be in place are data preparation tools, Excel, and data quality tools. While some in the IT space will roll their eyes at Excel still being so widely used, many business users haven't been given easy-to-use technology to replace this desktop stronghold.

While some companies are leveraging technology specifically for data enablement, there are a few gaps. Eighty-seven percent of companies report concerns with the tools and technology around

data enablement. The biggest concerns with data enablement technology are that they don't have enough training on the tools, there are too many different technologies within the business, and they don't have the right people in place. Once again, this points out the need for a multifaceted approach.

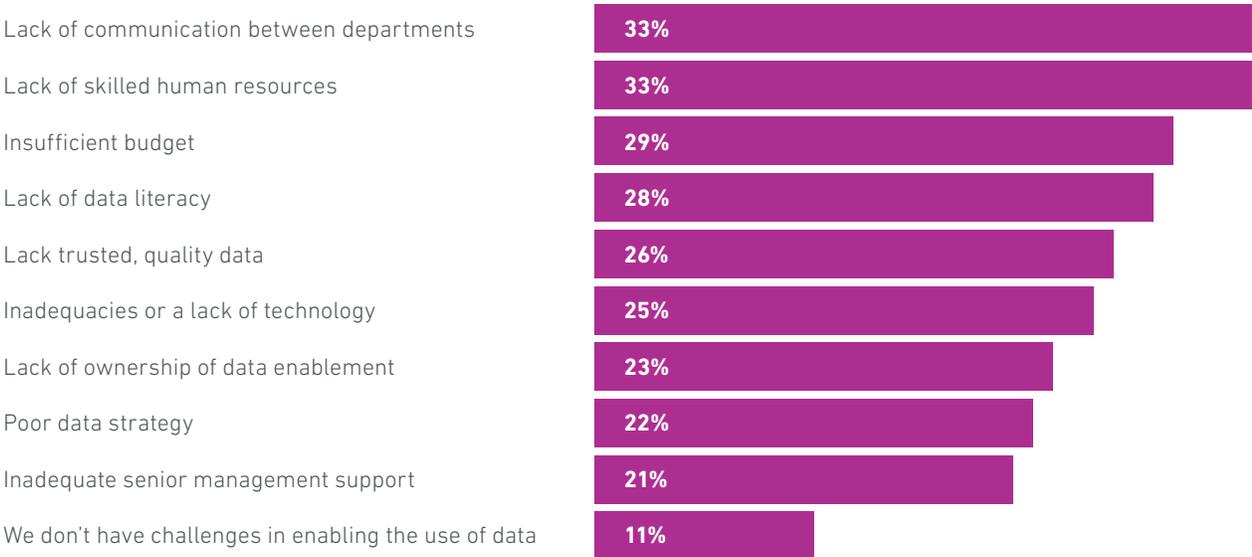
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**Creating the cultural shift**

One of the most important areas of data enablement strategy is around culture. Many do not think of this aspect, but the organization must be aligned properly to achieve data insights for all.

When looking at the biggest challenges in enabling the use of data, companies cite a lack of skilled human resources, a lack of communication between departments, insufficient budget, and a lack of data literacy. Our research also mentions a lack of trusted, quality data, as well as inadequacies in existing technology.

**Graph 4 - Biggest challenges to enabling data in the organization**



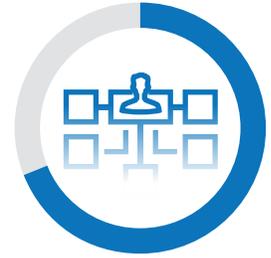
Previous sections addressed the human resource element. When reviewing a lack of communication between departments, this comes down to organizational culture. Data management initiatives are happening in silos. In fact, 69 percent say most data management initiatives are occurring in individual departments—only a few on an enterprise-level. This means that as these initiatives move forward, there is very little coordination between departments. While experimentation is certainly a good thing, a lack of efficiency and scale can cause problems. It could be part of the reason why 61 percent of respondents say it takes too long to get actionable insights from data.

Another top challenge is data literacy. Data literacy is making a big splash in the market. It is defined as the ability to read, work with, analyze, and argue with data. The goal is to make more people within the business data literate to empower data insights. When reviewing the data initiatives undertaken by businesses, 45 percent are currently working on data literacy with another 33 percent looking to undertake the initiative in the next 12 months. When becoming an insights-driven business, developing an understanding of data becomes critically important. You cannot become more advanced in leveraging data if people do not understand what they are looking at. What's more is organizations that are more mature in their data quality are more likely to have a data literacy initiative underway (69%).

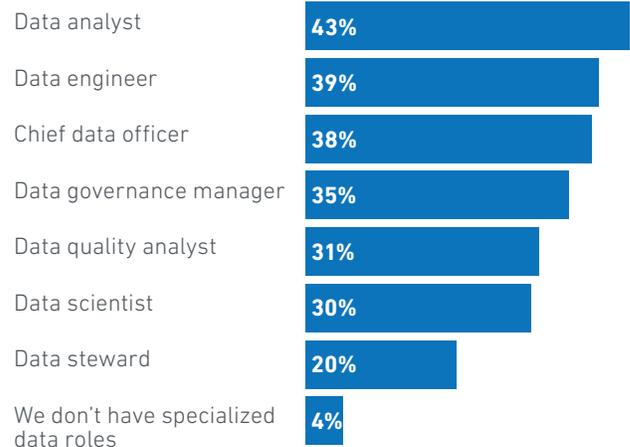
While there are many cultural shifts that need to change, organizations certainly need to work on having channels to communicate data innovation effectively and a baseline understanding around data and its benefits.

69%

say most data management initiatives occur in individual departments—only a few on an enterprise level

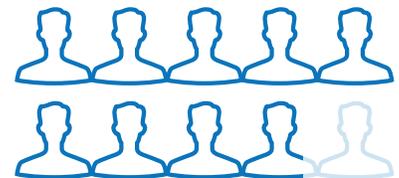


Graph 5 - Data roles to better leverage data



89%

say they have challenges in enabling the use of data



## 6. IT vs the business: where does data enablement live?



**Kevin McCarthy, Director of Product Marketing, Data Quality, Experian NA**

What came first, the chicken or the egg? That's my knee-jerk reaction to the question of where data enablement lives in today's businesses. For decades, the assumed answer has been IT because data is stored in databases on hard drives connected by networks, which are all highly technical components. Data is in their name, right? "Information technology."

There has been a steady creep of responsibility for data assets moving toward the business. The new study finds in 58 percent of cases, data management sits primarily with IT while in 42 percent sits primarily with business users. Some would say this move to the business started out of frustration from incessant delays in requests for data and reporting from an overworked IT staff. Others would say this is the natural maturation of the data lifecycle.

The truth is, the premise of the question is flawed. As data strategies mature, companies should discover that true data enablement is no longer a two-wheeled journey between IT and the business. This data bicycle is transforming into a data tricycle with the creation of CDOs and an entirely new segment of data practitioners. That extra wheel is providing the balance that has been missing between IT and the business: bridging the gap between technical prowess with data and business understanding of the corporate initiatives that will drive value.

In some ways, the terms need to be redefined. I mentioned IT as "information technology" earlier. You could argue in today's world, IT is "infrastructure technology." These are the folks that are setting up the data architecture—the servers, the networks, the security, the databases—but they are not necessarily the users of the data. "The business" needs the same definition refinement. The business has typically meant everyone else in the company that isn't one

of the techies, some of whom may end up needing data for one initiative or another. Today, the business is really referring to the people setting the strategies—improving customer experience, penetrating and segmenting markets, global growth, etc.

As you can see, over time, IT and the business have been drifting apart in their missions, becoming more technical and more strategic, respectively. This is not a bad thing! Each area has been honing in on where it can provide the most value to the company, but it has left a widening gap when it comes to data enablement. This is part of the reason we see 66 percent say that those improving the quality and understanding of the data often do not fully understand the needs of the business.

You could argue that the answer to the question of who owns data enablement between IT and the business is neither one. IT owns the data architecture, and the business owns the data strategy, but it's the data practitioners that own data enablement. This group is responsible for understanding the technical environment in which the data lives but also the strategic initiatives in which the data will be used to ensure that the two parts fit together so that companies make the most of their most valuable asset.



## 7. Conclusion

It is great to see so many companies investing in data and analytics. It continues to remain at the forefront of IT and business investment, showing how important the strategic asset of data has become. For the rest of businesses, while the level of investment is positive, the results are not necessarily what was expected.

Becoming a data-driven organization is a massive and holistic change. Holistic change is messy. Just like digital transformation, leveraging data for meaningful insight across the organization is an ongoing effort that will take some time. There is no one-size-fits-all solution for data management that is going to solve every business's data challenge. However, you can't wait to start leveraging and working with data until every system is set up and the infrastructure is perfect. It will never come.

Organizations are experimenting to find out what works best. There are varying levels of maturity and some pockets of the business that are doing better than others. The trick is for organizations to communicate better about data and to make these efforts an ongoing part of the organizational culture.

As with many aspects of life, acknowledging a problem is the first step. Organizations know they lack trusted information, and they aren't leveraging their strategic data assets fully. Now, it is time to do something about it. Data enablement is an important step in making sure the masses can leverage this information. Organizations need to remember the importance of data professionals, business-centric technology, and of course, the cultural shifts that need to take place.

Leveraging data is a journey. Make sure you have a strong foundation and the right people to help you along the way.

### Next steps

1

#### Understand the current environment

Take an assessment of your current data assets, how information is being used, and where gaps exist today. Technology can help you along the way.

2

#### Evaluate your data talent

Think through the roles you need to improve data access and understanding. Evaluating for a chief data officer may be a good place to start.

3

#### Explore new technology

Some of the traditional data management tools are designed for more technical users, not business enablement. Consider business-centric technology.

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