

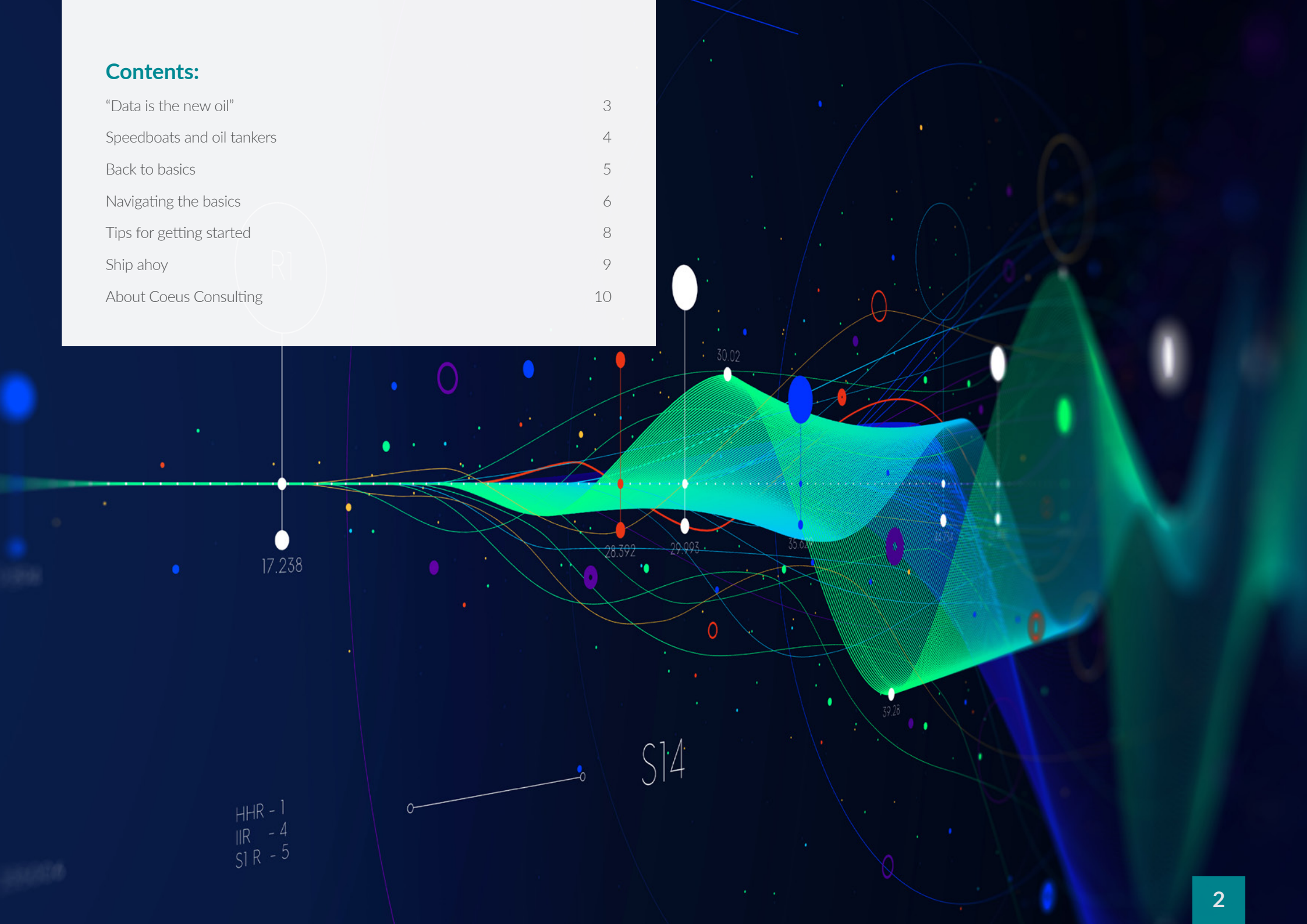
Are you charting the right course to monetise your data?

A solid data foundation is critical for navigating digital channels.



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“Data is the new oil”

Since the phrase was coined over 10 years ago, numerous comparisons between oil and data resources have been made with some in incredible detail; but maybe we should take the comparison at simple face value?

Data is now powering modern business in a similar way that oil powered industrialisation.

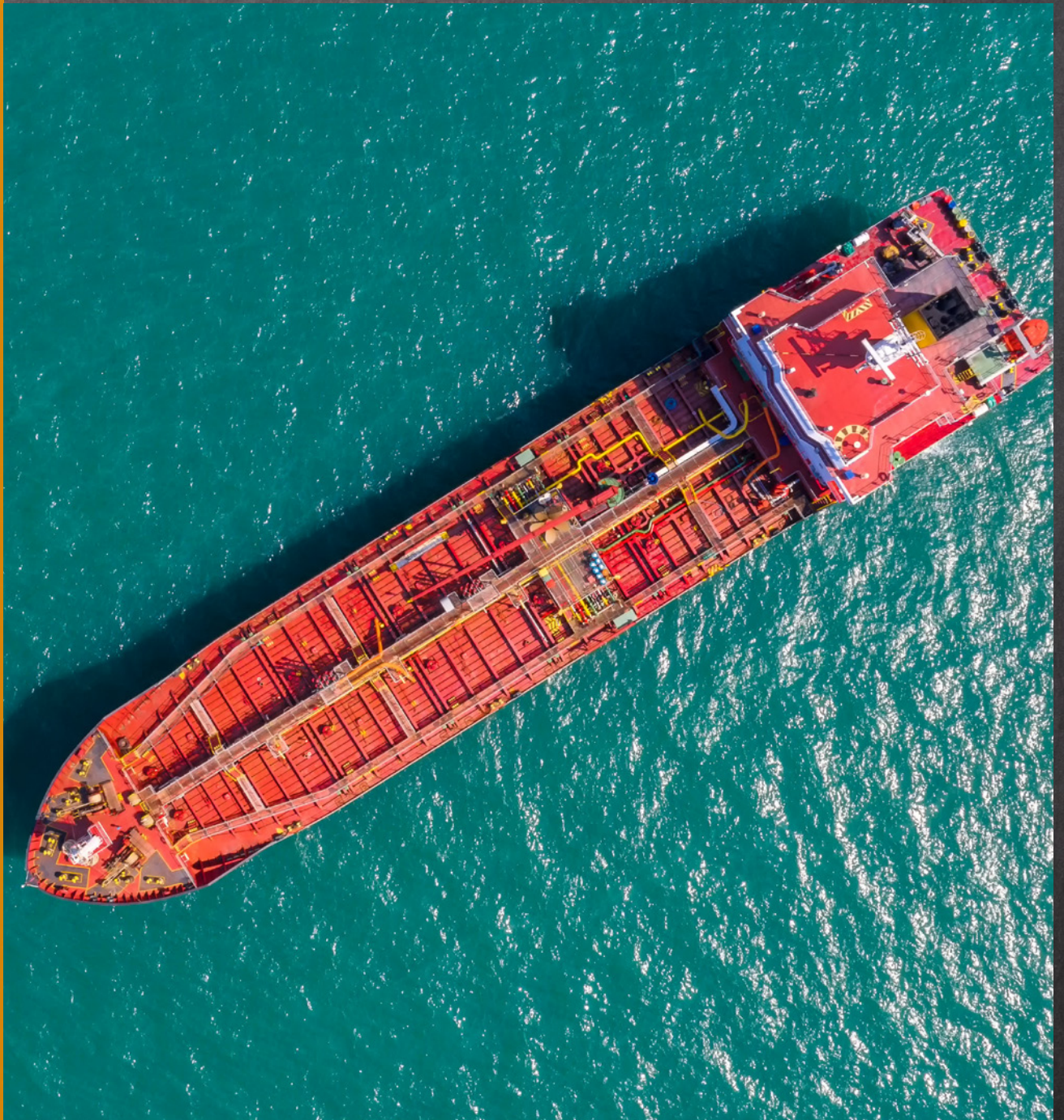
From this simple analogy it's easy to conclude what an incredibly valuable asset data is. Effective use of data differentiates the great from the good; its use can create relevant and personalised digital customer experiences; it can be used to connect people, devices and businesses to make our lives easier and more convenient; it can even help us mimic other humans without anybody ever realising so.

Gartner defines data monetisation as *“using data for quantifiable economic benefit”*. They go on to state, amongst other things, that this includes *“measurable business performance improvements, information bartering, information-based product offerings or selling data outright”*.

This is a great definition. It simply explains the things we already use data for in the day to day running of our businesses. We create economic benefit by increasing our revenues, optimising our costs, improving time to market for new products or improving Net Promoter Scores. We have teams that plan, forecast, produce performance analysis and management reporting. In most businesses we have segmented our customer base based on data we've collected to test new marketing campaigns and see which ones work best.

Data monetisation is not a new concept; it's a necessity for a successful business.

What is new however, is that in the age of the digital consumer and the connected world, getting it right or wrong can have far bigger benefits or consequences.



Speedboats and oil tankers

Ask the question: How do I exploit the value and monetise the data assets I have?

Too many companies think the answer should be “Hire the bravest engineers to mine it; the brightest mathematicians to model it; the most agile IT guys to refine it; build vast data lakes to hoard it and possibly befriend a chatbot”.

So many organisations proclaim they are using advanced analytics, the perception is that you have to do the same to survive. The life of your business in the modern digital world may well depend on it.

However, these activities are not easy, nor are they cheap. Many businesses have invested heavily in Big Data, Artificial Intelligence and Natural Language Processing but are not seeing, or are able to quantify, the benefit. In some cases, customers are even walking away for a more traditional experience.

You only have to look at the number of failed Hadoop implementations or trends in the recruitment market to see how scarce, in demand, and therefore expensive, the best data science and big data skills have become.

So why do we have this perception and why is it hard to succeed?

Let's borrow the oil tanker and speedboat analogy from our agile colleagues.

It's easy for new businesses to be agile and frequently change course at pace, like a speedboat. They design their operating models around digital services and customer experiences to rapidly generate value and disrupt established markets. They think big, start small then scale fast.

There is no legacy operating model, technology or mindset to change so they can easily innovate by integrating emerging technologies whilst keeping costs to a minimum. They've grown up with data and analytics at their heart, using a deliberate design for securing and exploiting their data asset that is fully aligned to their service offering.

However, it's much harder for established, large businesses to follow suit. In many cases the legacy of past organisation, inflexible processes and bespoke systems restricts their agility and emerging technology innovation. Without significant transformational effort, embedding data and analytics at the heart of the business is akin to trying to slow or turn a huge oil tanker; it takes considerable time, resource, planning and a huge amount of energy.

One thing to remember however, is that these businesses are established, successful and have the infrastructure and know-how to transact and serve in established markets. It's this scale that, keeping to the tanker analogy, enables them to store and transport huge quantities of data at relatively low cost, to pre-defined locations and serve a diverse customer base.

The issue is that, in numerous businesses, investments in data and analytics (speedboats) have been made with the expectation they will behave and can be managed like existing data warehouses and business intelligence platforms (oil tankers). This is clearly not the case as they behave very differently.

Herein lies an opportunity.



Back to basics

Speedboats and oil tankers are boats; designed for different uses and purposes, but still essentially boats. They have a hull, a rudder, an engine, a hold and they float on water; most of the time.

Think about your data and analytics capabilities in the same way.

You'll have different systems on different databases, all potentially consuming the same structured data. You'll have e-mails and documents stored in many locations, all containing data. You'll have web content, streams, data layers or analytics in numerous formats, all consuming and producing data. You'll probably be monitoring and using various types of social media, mining the data contained there. You may even be sourcing or enriching this data with other sources that you buy or use as a service.

Different types, uses and purposes, but fundamentally data. Generated, extracted, transformed, cleansed, loaded, modelled, secured, consumed, streamed and presented.

Speedboats and oil tankers are boats designed using basic principles that haven't really changed. Adopting the same basic principles for the design and management of your data, regardless of the use and purpose, will have a dramatic effect on your ability to consume and monetise the data asset you have. An asset you need more than ever to compete and be successful.

If you get the data management and design basics right and organise for them, you can introduce agile working, advanced analytics or artificial intelligence in a way that easily integrates and is interchangeable with the data warehouse, reporting or dashboarding that you already have.

In fact, in the digital age you'll need agility and speed to scout out new markets or test, learn and compete with the challengers, but you'll also need discipline and design to manage volume, regulatory compliance and potentially your shareholders. It's not an option any longer, but there is an option for doing it without significant throwaway investment or higher than necessary operating costs.



Navigating the basics

Imagine if you had full data lineage across your technology environments ahead of General Data Protection Regulations (GDPR) being introduced? You could have potentially used the meta data you were capturing to identify where the pertinent data was being generated, how it was being moved across your business, what was happening to it, where it was being consumed and who had access to it. Your GDPR programme could have focused more on privacy principles, education and effective customer journeys, as opposed to it being an IT data discovery problem.

An interesting question to ask is, based on the lessons you learned from your response to regulation such as GDPR, have you adopted good practice data management and design or are you still approaching data management on an ad-hoc basis?

Using the data lineage example, if you are then you would also be able to easily map your data into a business glossary to uniformly define and ensure the right contextual use of your business measures and metrics. You'd be able to exploit your Hadoop implementation more effectively by creating a catalogue and index framework so you had a common

understanding of what was actually in it and how it should be interpreted. You may even be able to use the meta data to identify opportunities to simplify your entire process and technology architecture and reduce operating expenses whilst improving customer experience.

This sounds too good to be true and we all know it's not that easy to get some of these capabilities established, but getting back to basics or starting off with the right principles in the first place will have a significant benefit. Think back to the speedboat analogy and why these businesses are successful.

Meta Data Management and Data Lineage are one of a dozen or so of core capabilities that form a comprehensive and robust data management and design approach (see *Figure 1: A simple set of core Data Management Capabilities*). There are numerous frameworks in existence that describe what these capabilities are, and they range from the incredibly detailed and technical to more generic capability maturity models. There isn't one size fits all so a combination of them typically works best, but it's useful to look at all of them and pick the relevant aspects of each to form the right approach for your business based on your current maturity.



Figure 1: A simple set of core Data Management Capabilities

Many businesses start with Organisation Structure and Data Governance. After all, if somebody owns the data then at least you can take comfort in knowing somebody is looking at it. They hire a Chief Data Unicorn to magically transform the business to be data-driven, take full accountability for data management and quality, regulatory compliance and ultimately monetisation. A huge role in established businesses that may well result in organisational chaos.

The sentiment and action is positive, but it needs to be done alongside a clear understanding of what the objective of the data organisation will be, how accountabilities align with other executive roles, the effort and investment needed to achieve the objectives, a realistic timeframe for doing so and be supported in parallel by the other data management capabilities.



Tips for getting started

The practicality of adopting simple approaches to getting the basics right can be addressed in a number of ways, but the following will help.

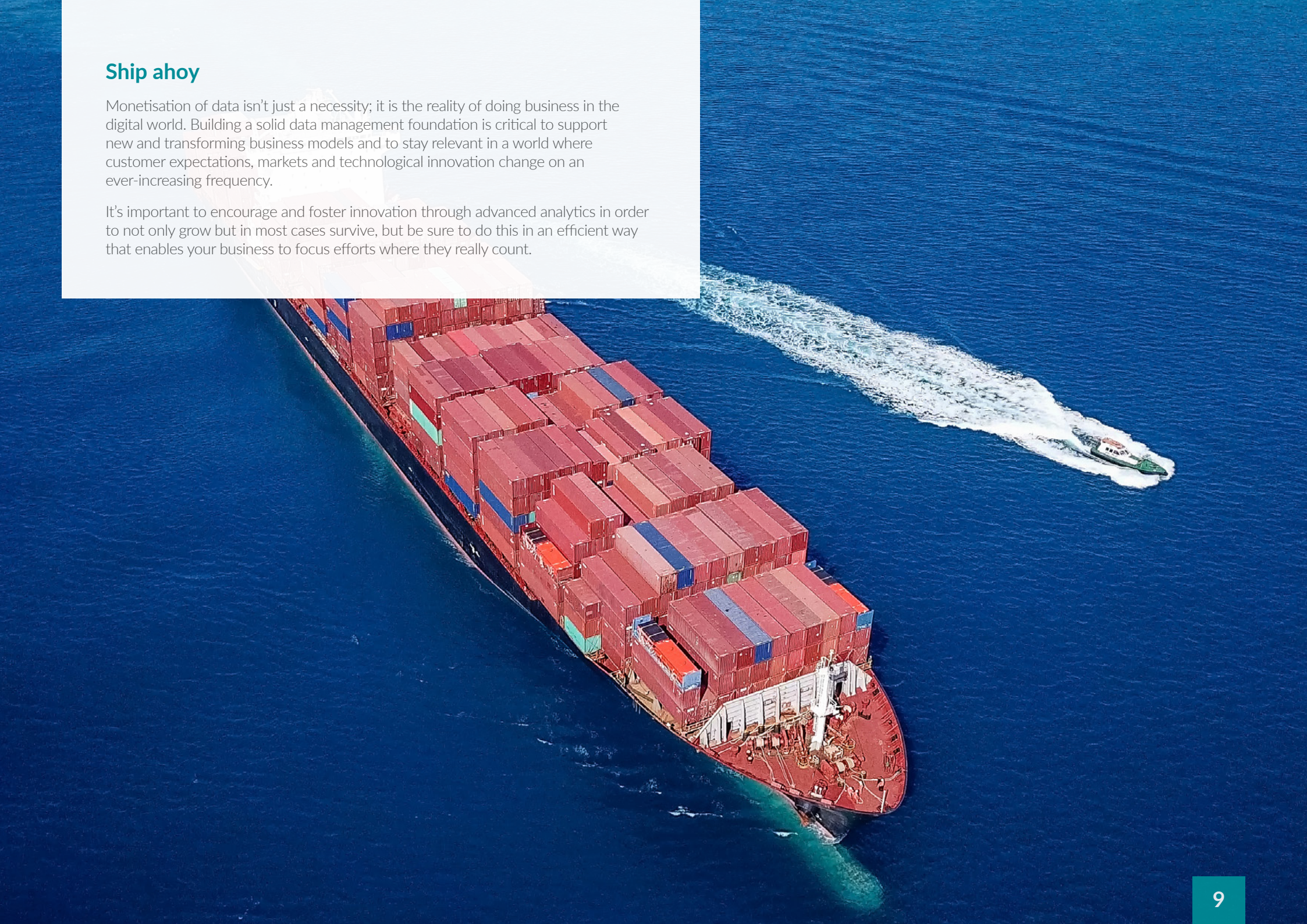
- **Think big, start small and scale fast.** Identify the priority journeys to drive customer experience and engagement improvement whilst adopting data principles
- **Adopt Data Journeys.** Take customer journey and data lineage principles and map out your data journeys to prioritise the domains and activities that will add value quickly
- **Create a Data Management Capability Framework and Lifecycle.** Mirror or embed this in your change framework (or Software Development Lifecycle) to encourage good practice data operations whilst executing change through established methods
- **Encourage agility and collaborative working practices.** Span the business/IT chasm to maintain context and derive a common language and education on data value
- **Be obsessive about data quality.** Create a model and measures that show use of data and impact of data quality and explain this to your executives in process impact and financial terms
- **Be kind to your CISO.** Ensure the security, privacy and ethical culture are established as a mandatory part of the process as it builds
- **Hire a CDO and build organisational data capability.** Define a common purpose and clear lines of accountability then hire an evangelist to embed roles, responsibilities and processes to monetise your assets
- **Make sure you don't pass the buck.** A true data-driven culture requires buy-in and accountability in all areas and at all levels of your business, sponsored from the top



Ship ahoy

Monetisation of data isn't just a necessity; it is the reality of doing business in the digital world. Building a solid data management foundation is critical to support new and transforming business models and to stay relevant in a world where customer expectations, markets and technological innovation change on an ever-increasing frequency.

It's important to encourage and foster innovation through advanced analytics in order to not only grow but in most cases survive, but be sure to do this in an efficient way that enables your business to focus efforts where they really count.



About Coeus Consulting

Coeus Consulting empowers IT leaders to deliver more. We do this by standing alongside our clients to create, execute or manage tailored and strategic change, and drawing upon our truly independent and unique experience to exceed expectations.

Capabilities:

- Operating Model
- Data & Analytics
- Technology & Architecture
- Cyber Security
- Commercial Management
- Sourcing
- Change Delivery
- Service Integration & Operational Excellence
- Mergers, Acquisitions & Divestments



Data & Analytics Capabilities

Coeus Consulting helps business and IT leaders to develop capabilities that unlock value from their data assets.

View more [here](#).



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