SNAPSHOT

Real data leaders focus on the people, not the data

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Good data management has never been more important to the success of modern business. Covid-19 aggressively accelerated firms' transition to a fully digitised workplace, in which organisations' effectiveness in sharing information between individuals, teams and functions is now a critical differentiator for success. Likewise, digitisation of the customer experience has gained pace, increasing the commercial opportunity around capture and analysis of behavioural data.

However, those responsible for data management face a gap between the organisation's aspirations around data and its grassroots commitment to implementing good data working practices.

Not all business leaders walk the walk

Senior management at organisations we work with consistently highlight commitments to "becoming data-driven", "putting data at the heart of what we do", etc. in communication to shareholders, regulators and customers.

In a general sense, we see good recognition by senior managers of the role enterprise data management has in enabling that agenda. However, this seems to translate poorly into concrete action to improve data management. Discussions on standards, data ownership, governance, metadata management, data quality etc. often struggle to gain and sustain business traction in the face of more directly-tangible business priorities.

Meanwhile, lack of effective data management continues to undermine progress toward the organisation's stated goals – efficient business processes, next-generation business analytics and more.

At the same time, it's common to see an organisation's rank-and-file having little sense of what their data management teams actually do - and some are openly sceptical of the value they bring to the organisation. If this sounds like your organisation, read on. It reflects our experience working with data management teams across some of the UK's financial organisations, helping them define approaches and deliver data management improvements across the enterprise. Whilst not all achieve their ambitions for data management, their efforts have given us a clear view of what's needed to make it work in practice.

Data management is hard

A by-the-numbers approach to data strategy starts with assessing the organisation's data-related pain points, and basing a business case for data management reforms around these. We usually see this followed by development of management frameworks for data ownership, governance, data quality etc., which are then socialised across the organisation.

These are valid and necessary steps in data strategy development – but they're the easy bit. Most business leaders are only too happy to discuss their data-related complaints: process inefficiencies, poor business performance, decision risk, compliance issues, stifled

innovation. Likewise, senior management rarely argue that foundational standards and frameworks are not needed.

It's the socialisation step ('rolling out') where we see challenges emerge: frameworks unveiled to business teams, who have often had little engagement during the development process. Discussions on how to implement new processes and controls at the local level reveal practical blockers to adoption: teams being asked to change their working practices are already inundated with other change demands, whilst struggling to maintain BAU operations in the context of cost pressures. Typically, no additional budget is made available to support incremental data management adoption – 14% of CDOs cite lack of funding as their primary blocker to the success of data programmes (Gartner, 2020). Through the fault of no-one in particular, such conditions can see data management improvements languishing on team backlogs for months or years - until senior management, observing a lack of progress, decides a new data strategy is in order. Rinse, repeat!

Data management is a people problem

The real issues that corporate data leaders need to face are here: organisational blockers to otherwise-sound data management initiatives. We've identified some basic challenges that most organisations seem to share:

1. **Organisational silos** serve a vital purpose in any organisation of non-trivial size: they focus their managers' attention on a limited set of concerns, and prevent agility being impacted by central bottlenecks. However, the data management agenda suffers as silos prioritise according to their self-interest, and as their priorities diverge from each other. Many critical business flows, for example, require data produced in one silo to be consumed in another; in such cases, producers often lack incentives to prioritise design of data structures and remediation of data quality issues with those downstream consumers in mind.

2. **Short-term goals:** Most business leaders are rewarded based on yearly performance against revenue and cost targets. Similarly, technology leaders are driven to maximise delivery of new applications and features into production at minimal cost. Data management, in contrast, reflects up-front investment which may return comparatively little benefit in the near term, the majority being realised across far longer timescales.

3. **Measurability:** The benefits of good data management are often structural in nature and can't easily be tied back to commercial outcomes – only 25% of organisations even try (Gartner, 2020). This gives data management KPIs a lower profile on management performance scorecards than more relatable business metrics (# new accounts, % revenue growth, etc.). It also makes it harder to land business cases for conspicuous investment in data management - structural benefits tend to lose out in comparison with projects which promise quantifiable revenue growth or efficiency savings.

From a data perspective, these are meta-problems. Most data professionals we meet deplore having to spend so much of their time grappling with these organisational issues, rather than the substance of the data - but tackling them remains essential to delivering successful data management across an organisation.

Real data strategy doesnt rely on hope

An effective data strategy must do more than set out a target vision - it needs a roadmap to implementation which recognises and address specific instances of such organisational challenges present in the local context.

We often see lack of progress against a strategy being put down to "too much siloed thinking", "needing to change the culture" etc. in a general sense, without clear understanding of what the specific conflicts are. Instead, we believe development of a 'good' data strategy should include rigorous analysis of real or potential blockers to the target vision, and propose solutions - creative options to align interests between the long and short term, exploit synergies across silos, find novel ways to surface measurable benefits, and so on. Internal conflicts need to be solved for during the development stage - data leaders often ask us to help solve with previously-known organisational blockers once strategic commitments have already been made. These are situations best avoided!

Too many data strategies neglect the organisational dimension and rely implicitly on a naïve hope that other corporate actors will "do the right thing" - prioritise changes which, from their perspective, may be highly disruptive to their other agendas and of no tangible benefit.

Likewise, we often hear data professionals saying, "We try our best, but most of those on the business side just don't get why this is important. So we just focus on the bits in our control." The assumption is that solving organisational problems is beyond the scope of their role - when it should be their primary focus.

Being a data leader

We see the role of CDOs and other corporate data leaders as that of a leader first, and a data practitioner second. Domain knowledge is, in many ways, of minor importance compared to the ability to drive co-ordinated outcomes within and across the organisation.

A good data leader will:

• Have a firm finger on the pulse of both the business and IT communities whose support is needed to deliver outcomes - they'll know what their priorities are and what plans they're making to address them.

• Think entrepreneurially - looking for compelling ideas which can be used to create a buzz across the organisation, making good use of hyped interest in timely topics such as machine learning,

and using small, tangible outcomes to build and sustain momentum over longer cycles of change.

• Be a master influencer and negotiator, with a talent for finding the "win-win" between different stakeholder agendas.

These traits are not common to all senior data management professionals - but in our experience, those that have them prove far more successful in progressing their corporate data agenda.

Building a data leadership team

The same leadership requirements extend to data leaders' immediate teams. It's common to see data management functions staffed exclusively by those with a technical background, selected for their expertise in domain subject matter – who tend to focus on their natural comfort zone of solving content-related, rather people-related challenges. It's another reason why we see disproportionate effort devoted to the development of theoretical frameworks, rather than the messy business of getting people to adopt them in practice.

We would not suggest that data management teams need no data expertise - most play an implicit centre-of-excellence role which makes this essential. However, that expertise needs to be married with a first-rate change delivery skillset: project management, stakeholder management, etc. A senior data management team lacking these skills can quickly find their efforts falling out of step with the business and tech communities whose collaboration they need.

Conclusion

Everyone knows data is important, and that importance will only grow over time – with shocks such as Covid-19 seemingly intent on quickening the pace.

That said, many organisations struggle with translating that awareness into concrete action, particularly when the structural work needed isn't naturally engaging for business or technology communities, and implies changes which disrupt and compete with the priorities of others in the organisation.

This is where real leadership is needed – leadership which recognises the importance of solving organisational blockers to implementing good data management. In our experience, good data leaders do not shy away from this - they make addressing organisational blockers their focus, and build teams around them who can do the same.

This, in turn, makes the difference between data management functions who are a net tax on business productivity, compared to those who play a genuine role in driving the organisation forward.

Interested to know more?

If you are interested to discuss any of the topics covered in this paper and how we may be able to help, contact:

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