



# Data Strategy

Material for Course CS-E5000 Seminar in Data Ecosystems

Reko Lehti ([reko.lehti@taival.com](mailto:reko.lehti@taival.com)),  
Taival Advisory

5.2.2019 Espoo

”

Organizations do not need a [Big] Data Strategy; They need a business strategy that incorporates data.

Bill Shmarzo, CTO, Dell EMC Global Services

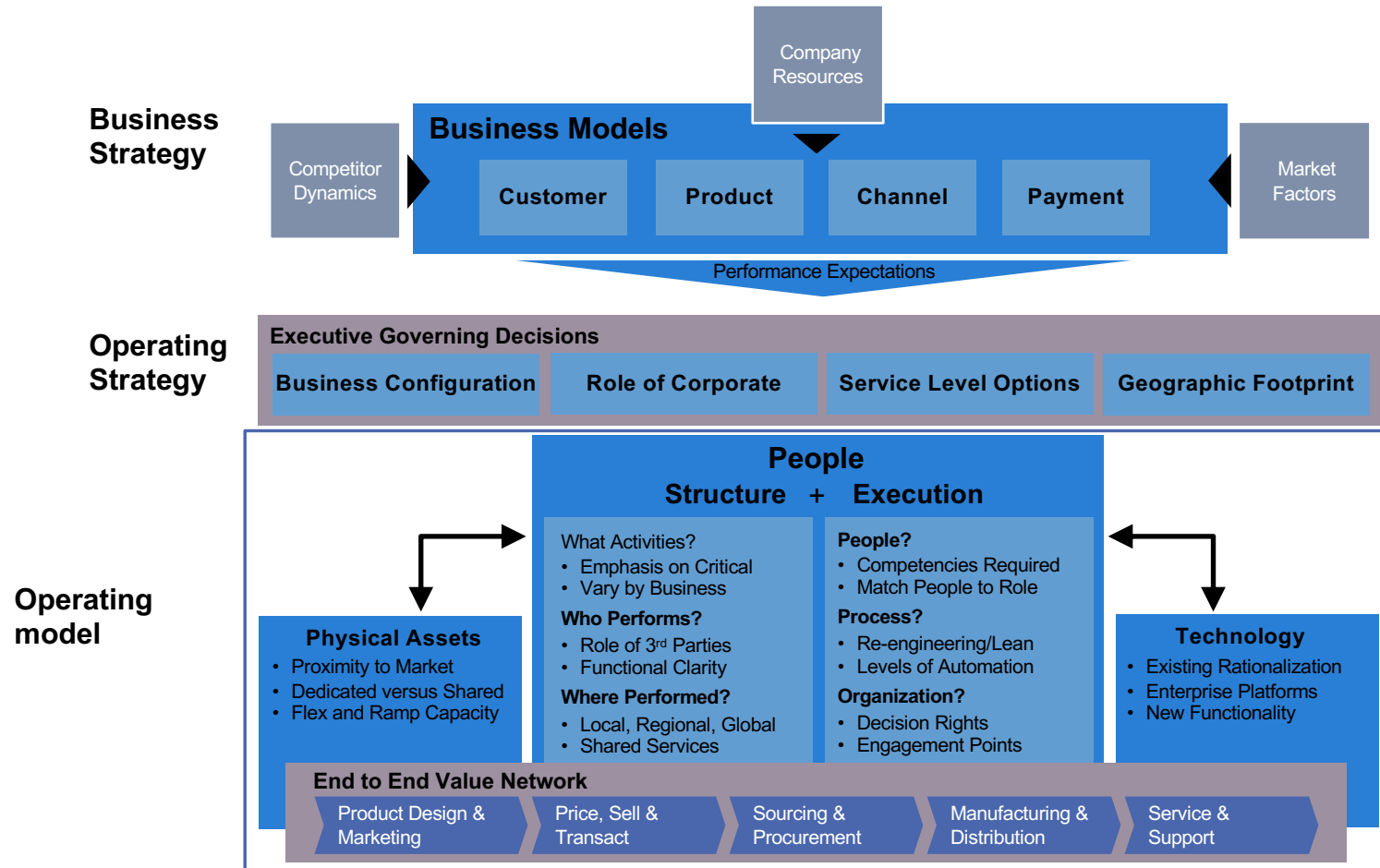
# What is strategy?

---

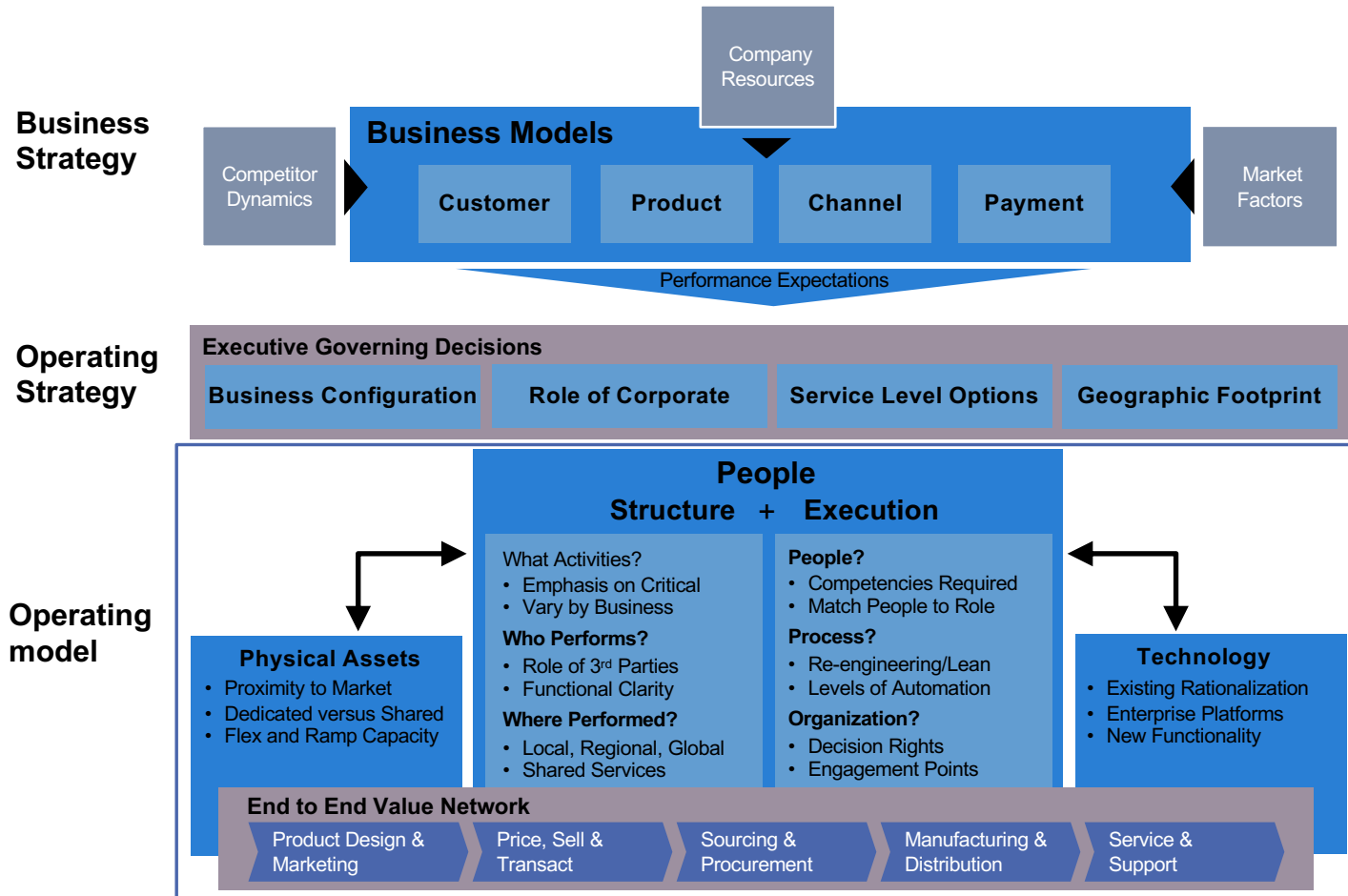




# One way to describe strategy

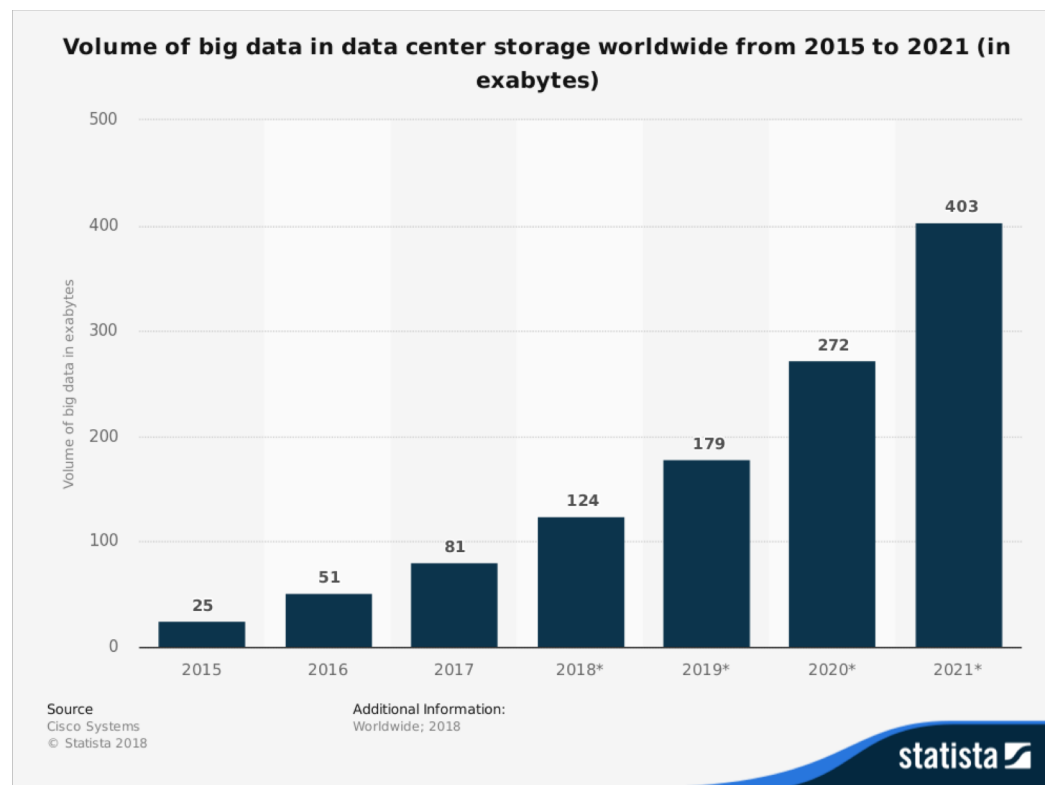


# What's data got to do with it?



# What happens without a strategy

The amounts of data in organizations is growing exponentially, but the ability to utilize it is only growing linearly → Companies need to understand where to focus



# Data strategy fundamentals

---

A data strategy defines how data is acquired, stored, processed and eventually used for various business objectives

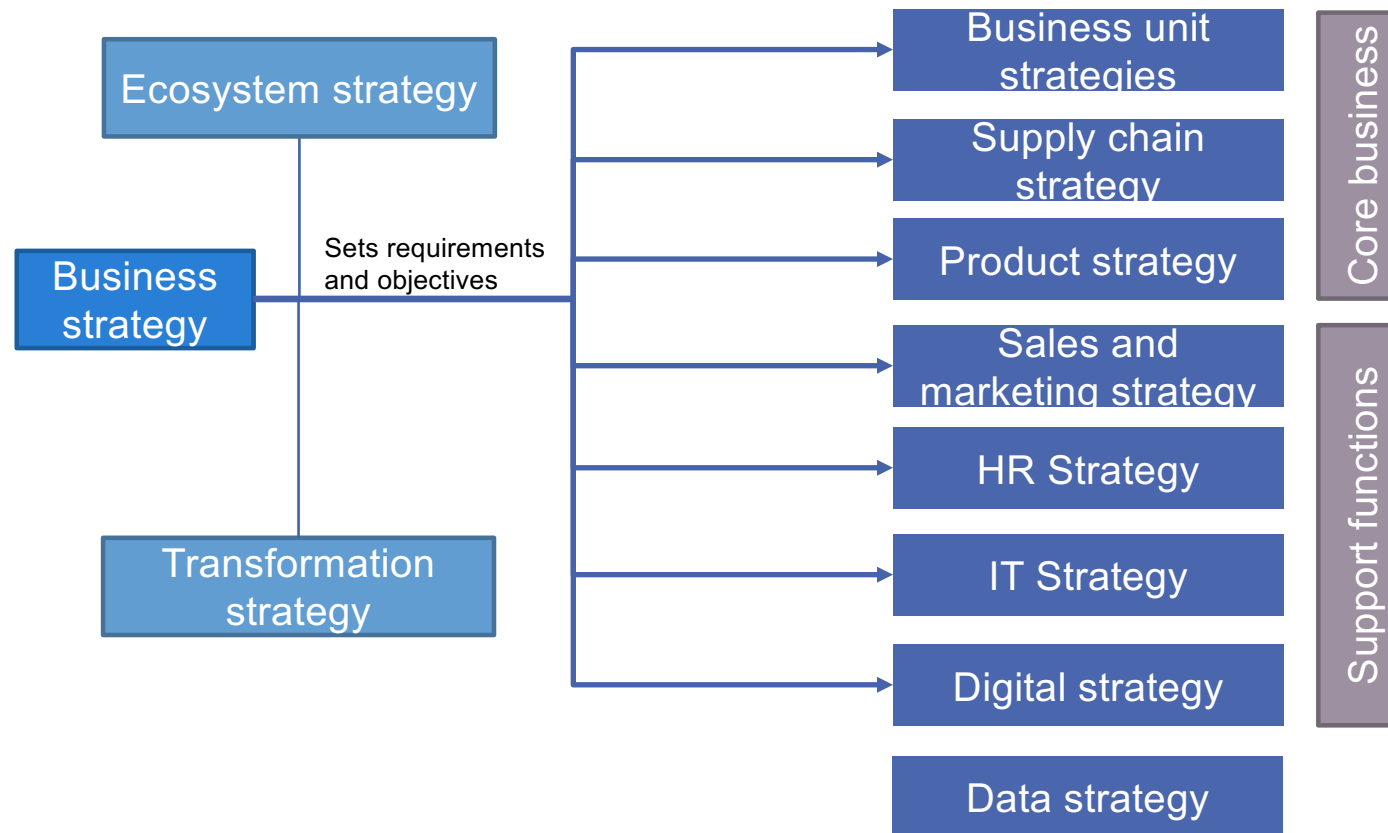
- It involves identifying opportunities for leveraging data for business benefits, building data architectures and a realistic roadmap to take the company from its current state to a data driven state.
- It also details out the cost considerations, target operating model, and a strategy to onboard distinct business units to collaborate for mutual benefits.
- A good data strategy takes into account key considerations like..
  - Are we aware of business opportunities that can be tapped using data?
  - Are we utilising our data to its maximum potential?
  - Are we serving the right business goals and in the right sequence of priority?
  - Are we ensuring that the data is secure and trustworthy?
  - Are we able to extract the truth from our data?
  - Are we adhering to the ethical and regulatory compliances?
  - Are we getting the maximum returns on our investments?

Source: Talking BiZness, Management Consulting firm with a focus on data & analytic



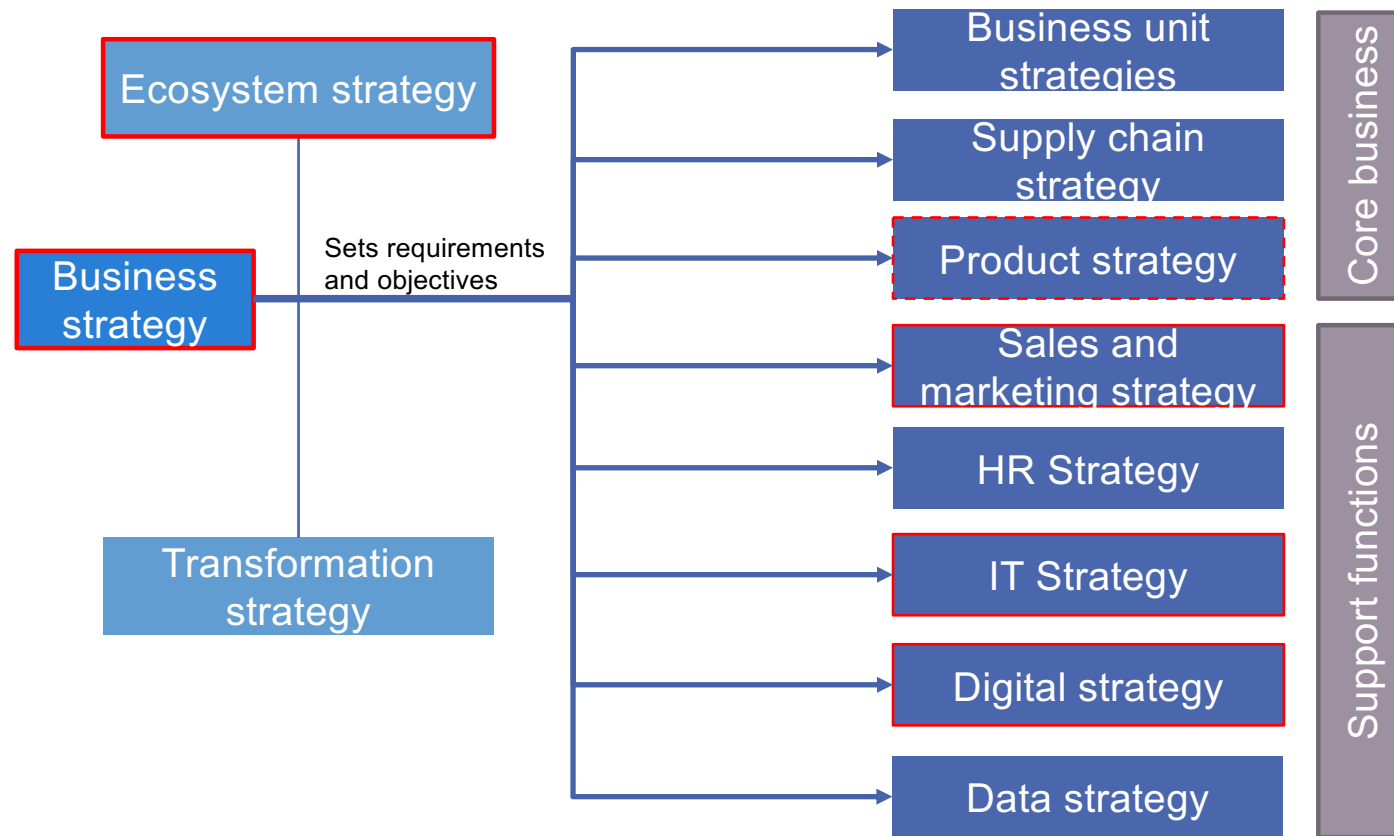
# Data strategy in relation to other forms of strategy

All key organizational functions should be designed to support the business strategy



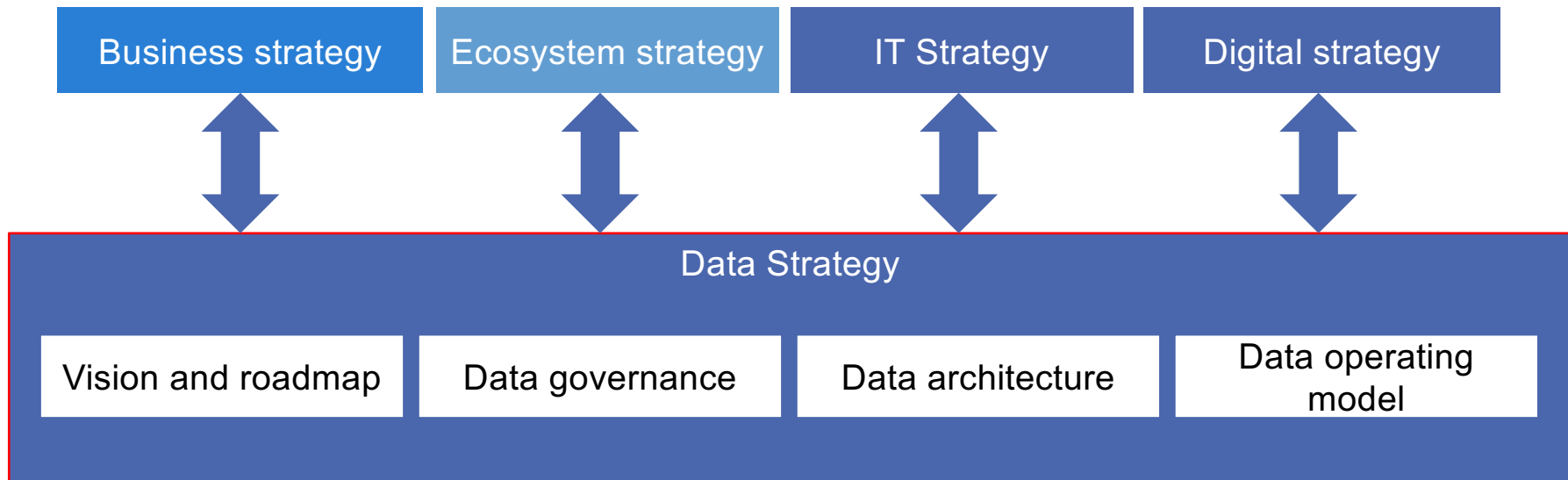
# Data strategy in relation to other forms of strategy

Role of data strategy depends on the extent of data utilization in the organization



# Data strategy in relation to other forms of strategy

A Data Strategy aligns with and supports the Business and ecosystem strategies and creates requirements for IT Strategy and digital strategy



# Defence vs Offence

---

	DEFENSE	OFFENSE
<b>KEY OBJECTIVES</b>	Ensure data security, privacy, integrity, quality, regulatory compliance, and governance	Improve competitive position and profitability
<b>CORE ACTIVITIES</b>	Optimize data extraction, standardization, storage, and access	Optimize data analytics, modeling, visualization, transformation, and enrichment
<b>DATA-MANAGEMENT ORIENTATION</b>	Control	Flexibility
<b>ENABLING ARCHITECTURE</b>	SSOT (Single source of truth)	MVOTs (Multiple versions of the truth)

FROM "WHAT'S YOUR DATA STRATEGY?" BY LEANDRO DALLEMULE AND  
THOMAS H. DAVENPORT, MAY-JUNE 2017

© HBR.ORG

# Data-Strategy spectrum

A company's industry, competitive and regulatory environment and overall strategy will impact its data strategy



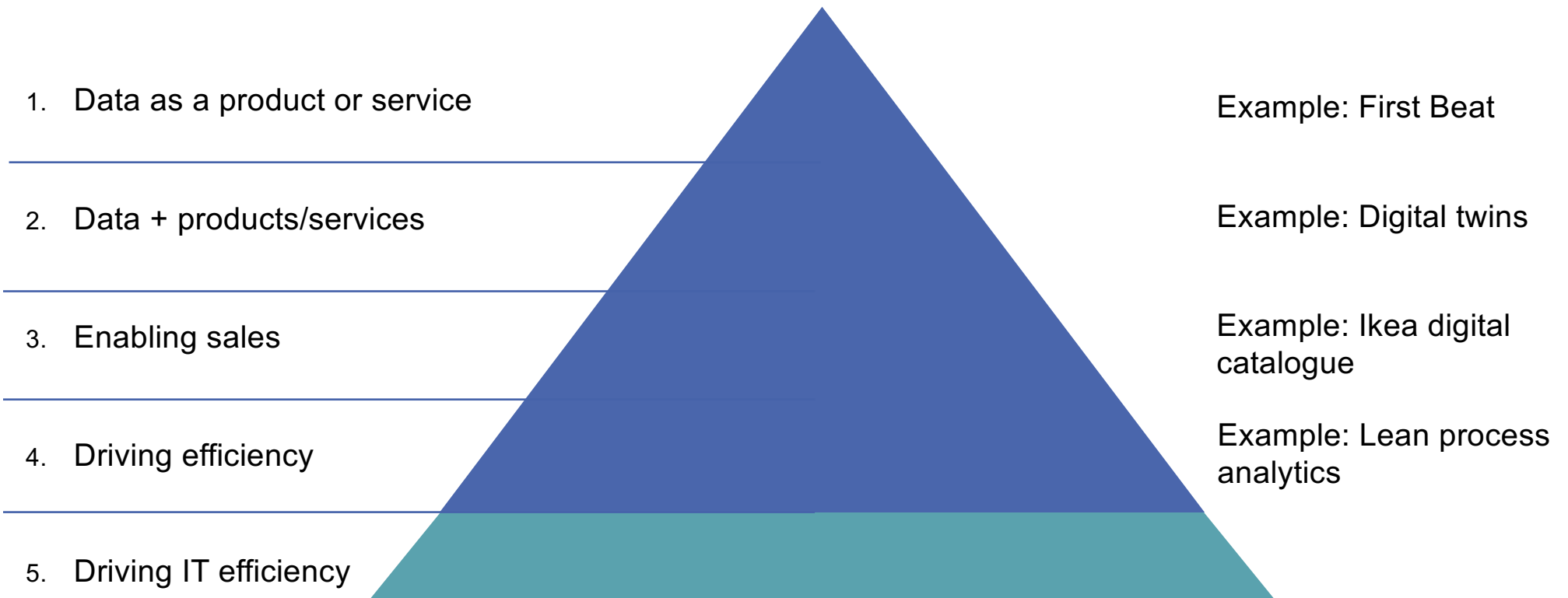
FROM "WHAT'S YOUR DATA STRATEGY?," BY LEANDRO DALLEMULE AND THOMAS H. DAVENPORT, MAY-JUNE 2017

© HBR.ORG

# Using data in business context

---

Data can influence both the top and bottom line in the organization, although most companies are just utilizing it for efficiency gains



# Data based business models

There are three main categories of business models for organizations seeking to increase their revenue with data

## Differentiation

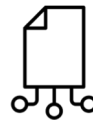


**1. Product innovators improve the products and services with data**



**2. Integrators combine various services with data to provide better service for their customers**

## Brokering

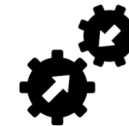


**3. Data distributors collect and sell raw data without adding to it's value**



**4. Data brokers collect, combine and process data using analytics and sell the analysis results**

## Networks



**5. Value chain integrators share data between each other to form a common strategic advantage**

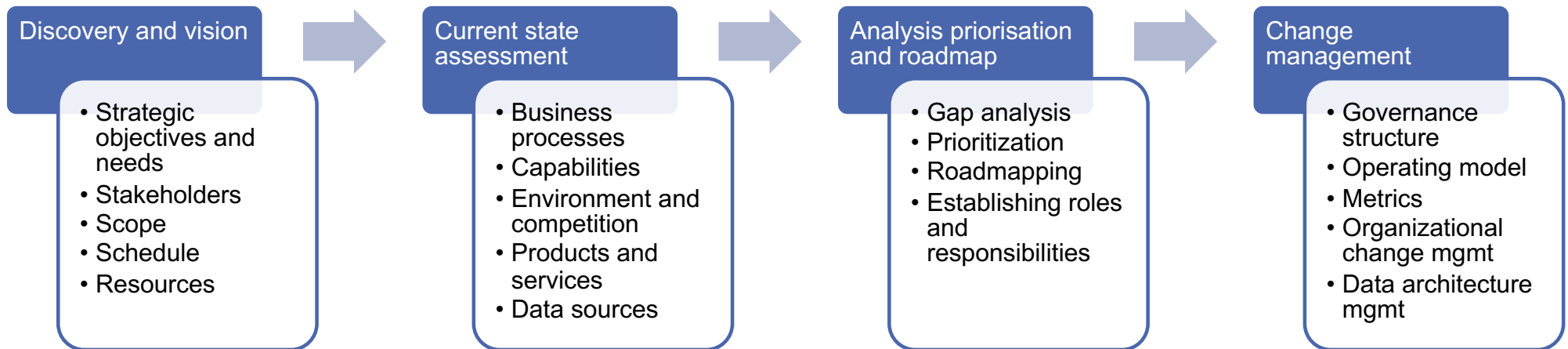


**6. Value network partners work together (often in a digital environment) building sales opportunities for each other**

Source: Harvard Business Review, Harbor Research

# How to get started?

Pragmatically, like with any other strategy...







# Thank you!

Reko Lehti

[Reko.lehti@taival.com](mailto:Reko.lehti@taival.com)

+358407725468



taival.