

Data Strategy Benchmark Report 2022

Big Data LDN 2022 attendees completed the Cynozure Data Strategy Scorecard, to assess the strengths (and areas to improve) of their Data Strategy. We've compiled the results in our second benchmark report.



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Introduction

Data is central to business success. Increasingly, the insights it provides are being recognised as an enabler for more accurate, evidence-based decision making.

An effective data strategy is vital to deliver business value through the application of data – whether that is increasing customer retention, understanding employees’ attitudes towards the business, or decreasing overheads – however it can be challenging for an organisation to review its progress or suitability internally.

We designed our scorecard – based on six key pillars of a successful data strategy – to provide this insight and to help identify the strengths of an organisation’s data strategy whilst understanding where to focus attention to deliver real business value.

An effective roadmap to building a data strategy can be drilled down into six pillars:

For the second year in a row, we’ve teamed up with Big Data LDN – a two-day data-focused conference and exhibition – to gather a second round of insights from Big Data LDN participants.

- **Vision and value** – is the data strategy aligned with business outcomes?
- **People and skills** – do you have the right capabilities in place to deliver the strategy?
- **Operating model** – are processes in place to ensure data can fulfil its potential?
- **Data management** – is the data trusted?
- **Technology and architecture** – have you architected the right technology?
- **Roadmap** – what are the key targets, and when do they need to be hit?

Respondents were asked to self-score against a series of questions, resulting in a score out of 100 for their data strategy.

A total score of between 80 to 100 would indicate that the respondent’s data strategy is very strong and seen to be “flying high”; a total score of between 45 to 79 would indicate the respondents data strategy has started well and therefore has “strong foundations” to build from; a total score of between 0 and 44 would suggest the respondents data strategy has a high number of areas where work can be done and there is a big “opportunity to improve

Respondents represented a variety of sectors including retail, public sector, financial services, media and telecoms, distribution and logistics, charity and not-for-profit, leisure and entertainment, and consumer goods.

C-level executives made up 6% of respondents, Directors/VPs 21%, Managers 39% and Contributors 34%.

The insights from this report help showcase the areas where organisations are performing strongly but, more importantly, where improvements can be made to improve data-led decision making and boost performance.



If you would like to see how your own data strategy scores, and how it compares to this industry benchmark, you can complete the Data Strategy Scorecard at datastrategyscorecard.cynozure.com

Six Pillars of Data Strategy

Developing a data strategy is a vital step fulfilling growth plans. Our 'six pillars' provide an effective roadmap which can be used as a framework to generate business value from data and analytics.

Our scorecard focusses on each of these six pillars and provides targeted advice based on how an organisation scores across each area.

This scorecard allows businesses to focus more closely on their data strategy, so they can build towards securing the right outcomes, evolving their processes and provide greater clarity on the actions they need to implement to develop a sharp, adaptable and more effective data strategy.



Overall Results

After a challenging year for all businesses, this year's survey shows that despite the fact 60% of respondents are clear on their organisation's plan to improve its data capabilities, there was an overall reduction in scores suggesting that their confidence in organisations' data strategies have dipped.

This is concerning on many levels, not least because data is proliferating at an unprecedented rate, meaning businesses are in possession of more data than ever before. This presents businesses with an array of opportunities – including valuable customer data and insights to enhance propositions – but also means they must be confident about the data strategies they deploy to ensure all data is held safely and responsibly. This appears to be an issue for many. Currently, just 10% of respondents strongly agree that people within their organisation trust data is clean, secure and well managed. A further third (32%) slightly agreed with this but clearly, more work on boosting understanding across organisations is needed. On a positive note, 42% believe that the benefits of using data was clearly understood within their organisation.

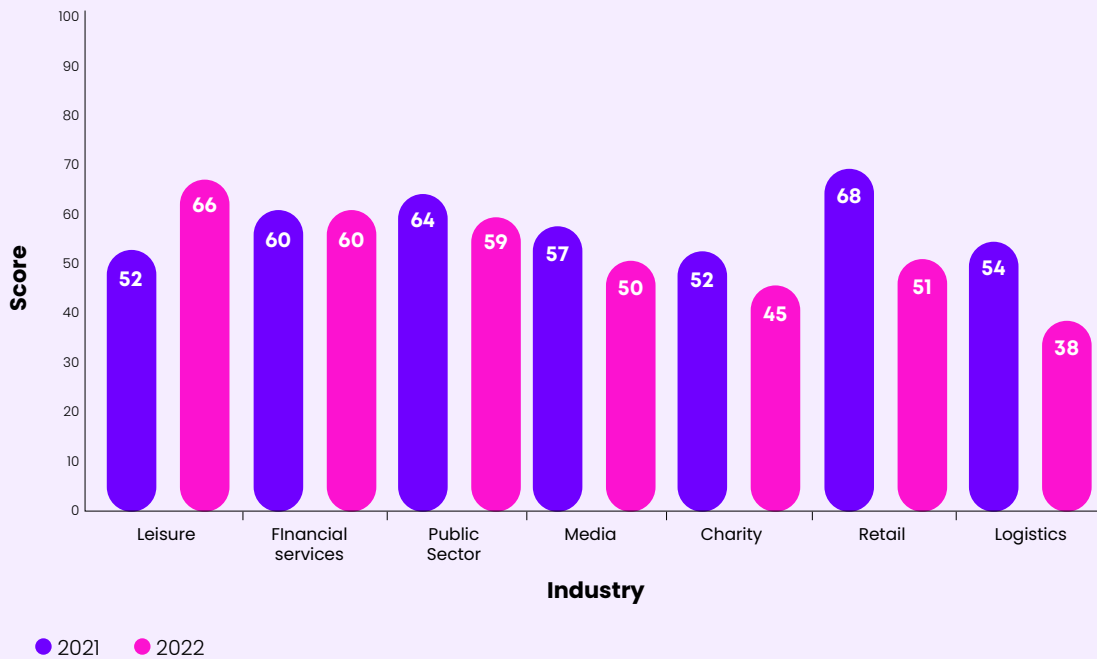
Looking at the pillars in more detail, it's clear that here have been drops across the Vision and Value, Operating Model and Data Management pillars – with Data Management experiencing the biggest drop across the study, dropping eight points on last year's score from 65 down to just 57.

The sector breakdown of confidence levels demonstrates mixed results. On one hand, there have been huge improvements in sectors such as leisure and entertainment, which went from the least to the most confident. This may be in part due to this industry still feeling the effects of lockdown in 2021 but is now full open and trading and can see the need for data in continuing this success.

Meanwhile levels across the retail sector – which has been hit harder by the cost of living crisis as people prioritise experiences over purchases – almost halved from 68 (the highest score in 2021) to 41, one of the lowest this time round.



Industry overview - 2021 vs. 2022



The leisure industry and financial services were the only sectors where confidence in data strategy hasn't fallen – leisure saw its score increase by 66 whilst financial services remained flat. Elsewhere, the overall scores in this year's study declined, often significantly in the case of retail and logistics, down 27 and 16 points respectively. One sector that has been included in our scorecard for the first time, consumer goods, enters as the lowest ranked sector on our scorecard, suggesting that leaders have major concerns around the effective use of data in the industry.

“ This year, it's clear that middle management have a more positive outlook about data capabilities.

Interestingly, there has also been a shift in confidence levels around data strategies within organisations. Last year, confidence was led by both C-Suite executives and the developers – however, there has been a significant drop in confidence for both levels, especially among developers where the score has fallen from 64 to 50. In just 12 months, this group has gone from the most confident to the least by far.

This year, it's clear that middle management have a more positive outlook about data capabilities. The factors behind this shift are complicated but it could be partly due to increased awareness amongst C-Suite executives of upcoming challenges and added strain amongst developers as workloads increase post-pandemic.

This concern is also interesting in the context of a third (31%) of respondents saying senior leadership provide input into the prioritisation of data initiatives, with a further 52% saying senior executives are involved sometimes. Perhaps as leadership becomes increasingly involved in decision making around data strategy, they're more likely to question their current capabilities.



Vision & Value

The Vision & Value strategy pillar is all about aligning an organisation's data initiatives with business outcomes to promote greater clarity across the organisation.

A company's data strategy vision should describe the important role data plays in meeting an organisation's goals and the specific values it is maintaining or achieving by making better data-based decisions.

To gauge responses, we asked people to what extent their organisation is delivering incremental business value through the use of data, and how clearly the benefits of using data are understood within their organisation.

Vision & Value saw one of the biggest changes in sentiment over the last 12 months – seeing the average score drop from 67 to 61 in 2022. Some sectors saw confidence collapse – retail went from the joint highest score last year to the joint lowest with a drop of 33 points whilst the score for the media industry also fell by 18 points. In total, five out of the top seven sectors included in the study saw confidence levels fall compared to last year.

From conversations we've been having with clients, we feel there is a better understanding now that data work needs to align to business outcomes, therefore this drop in confidence could be owing to the fact that people are now more aware that what they're doing doesn't align.

“ We feel there is a better understanding now that data work needs to align to business outcomes

Best and Worst Performers 2021 vs. 2022

-33

Retail

-18

Media

+10

Leisure and entertainment

Organisations need to work out how they do work that delivers on its business objectives – and with so many variables for businesses right now (prices, supply chain, politics, Brexit), these objectives may also be changing making it difficult to pin the data strategy to something specific.

However, there are some more positive figures once you take a closer look at the research – the leisure and entertainment sector saw huge growth, gaining ten points to flip the rankings to move from the bottom in 2021 to become the most confident this year. Public sector organisations also showed an improvement on last year's score suggesting growing confidence amongst the non-profits as they finally emerge from the pandemic.



People & Culture

Making data-based decisions should always keep the people and culture within organisations front of mind. This pillar considers the skills needed to be successful at implementing a data strategy and how best to organise them.

We therefore asked people whether their organisation relies on data and insights more than on judgement and experience, and if they have the necessary skills in their organisation to deliver strong value from data – trying to understand if the data skills gap is impacting their business.

Although People & Culture was one of the better performing pillars over the last 12 months, it still saw a dip in confidence levels – losing three points to become one of the lowest scoring pillars overall. A key factor in this is that many businesses feel they don't have the skills they need within the organisation.

Unfortunately, as the demand for data expertise has grown, so too has the gap between the number of people with these skills and the comparatively huge number of roles to fill, and this has significant consequences. Research by the UK government quantifies this, showing that almost half of businesses recruiting for roles requiring data skills have struggled to do so over the last two years.

Again, the huge swing in the confidence levels of the retail sector has had an impact on the overall score. Retail sentiment dropped sharply compared to last year, shedding 14 points and again falling from being one of the better performers in this area to the joint lowest.

The leisure and entertainment industries saw huge gains in this area – jumping 17 points to become the joint most confident sector. The other joint top is the media industry which also saw positive growth, climbing 9 points.

Best and Worst Performers 2021 vs. 2022

+17

Leisure and
entertainment

+9

Media

-14

Retail

-7

Financial
Services





Operating Model

Operations are central to every business model. But for an organisation to truly benefit from data, there must be a good level of understanding of data at all levels across the business.

As such, the use of data must be fully integrated into the operational side as much as it is elsewhere, but our research indicates that there is more work to be done in this area.

To assess the score for this section, we asked if the right teams collaborate and cooperate to build data solutions and deliver business outcomes, and if the senior leadership inputs into data initiatives.

Overall, the confidence in the data capability within operations dropped slightly by four points on our score. However, digging deeper reveals several significant falls which provide cause for concern. Once again, the view of experts across the retail industry indicates that the confidence in data strategy in this area has effectively collapsed – falling to the joint lowest score in our study (33 from a high of 61 in 2021).

Within logistics, there has been a shift which has been almost as dramatic – with confidence in operational data capability plummeting 26 points from 59 to just 33.

Best and Worst Performers 2021 vs. 2022

-28

Retail

-26

Logistics

+17

Leisure

+5

**Financial
Services**

Data concerns across the non-profit sector have also led to a decline of 14 points, as the industry view that it was one of the strongest performing in this area last year seems to have diminished.

The only factor preventing the overall score in this pillar from declining further was the strong performance of the leisure and entertainment sector which was the worst performing in last year's study. This time round, experts in the sector are the most confident in their operational data strategy with their score seeing a jump from 50 to 67.





Technology & Architecture

How technology is integrated into a data solution is just as important as the specific tools an organisation is using. This pillar considers the variety of tools in use, how they align, and how insights are communicated to the wider organisation.

We asked respondents whether a lack of technology impacts their ability to manage and build data solutions, and if their organisation's provision of data makes it easy to build the models, insights, dashboards and reports it needs.

The response to this pillar of our study provided some surprising findings, with major swings in the scores across all sectors suggesting that there are discrepancies in how quickly industries are integrating data strategies into their tech infrastructure.

Overall, there was no change in the score compared to last year. But this is not the case for all sectors. Confidence in the logistics sector has collapsed, leading to the score falling by more than half. On the flip side, there were major gains across financial services as the sector became the most confident in our study.

Could the findings indicate a lag between the value of technology more generally within an organisation and the value of data? The relatively low confidence scores across this pillar for many sectors suggests leaders may be slower to understand how to combine their tech infrastructure with a strong data strategy.

“ The challenges of Brexit and new border regulations have demanded focus and resource

Looking at two sectors that performed very differently in the study – logistics and financial services – it's clear that there are different factors at play which have had a significant impact on confidence. For the logistics sector, the challenges of Brexit and new border regulations have demanded focus and resource, meaning that leaders may have had to invest in their everyday operations rather than investing in tech and data infrastructure.

For financial services, increased innovation and investment have cultivated renewed confidence in the use of data to meet business goals.

Best and Worst Performers 2021 vs. 2022

-25

Logistics

-17

Retail

-17

Charity

+13

Financial Services



Data Management

Even the best data strategy in the world is nothing without strong leadership and management. Effective data management should fulfil three main criteria – be available, accessible, and actionable.

It allows organisations to quickly identify datapoints and implement across the entire operational system. Ensuring data is secured and managed correctly should be the utmost priority for every organisation and trust is a key feature of this pillar.

Survey respondents were asked if they believe that people trust the data in their organisation is clean, secure accurate and well managed, and if data is made available to all teams that need it in a controlled manner.

It's concerning that the confidence levels in data management have fallen more than in any other pillar. What was previously one of the strongest scores in the study is now dwindling in midtable and clearly many sectors believe that improvements can and must be made.

The retail industry was previously a strong performer in this area, boasting the highest score in the 2021 study – this is no longer the case. In fact, the score has fallen by almost half so the sector is now a firm last.

Best and Worst Performers 2021 vs. 2022

-39

Retail

-15

Media

+8

Leisure

Whether this is due to complacency or focusing resources elsewhere due to the cost of living crisis impacting business success, action is needed urgently to bring the data capability up to speed.

The charity and leisure sectors were the only ones to see any improvement over the last 12 months, rising three and eight points respectively. However, this positive performance is cancelled out by the worrying scores in other industries – suggesting all sectors need to continue to enhance this area of their business.



Roadmap

An organisation needs to combine all pillars to create an effective data strategy. The roadmap is the pragmatic plan that organisations should have in place to effectively deliver on their wider objectives and improve data-based decision making.

To understand performance against this pillar we asked people if their organisation has adopted an approach that allows them to deliver value with pace, agility and certainty, and if they are clear on the plan for improving business data capabilities.

Our pillar analysis concludes on a positive note – this pillar was the only one in the study to see an overall improvement over the last 12 months. This was driven by the hugely encouraging improvement shown by the leisure sector, which doubled its score from last year. Clearly, experts in this industry are pleased with the improvements shown, but the fact that the sector still isn't sitting at the top of the study despite the huge rise indicates just how much work was needed to gain ground on other sectors.

Unfortunately, the strong improvements in leisure were almost wiped out by an almost equally disappointing performance amongst the logistics and retail sectors. Down by 25 and 23 points respectively, there are major concerns amongst sector leaders around the direction of travel – for these two industries particularly, there needs to be a greater focus on aligning strategy plans over the coming months.

Best and Worst Performers 2021 vs. 2022

+30

Leisure

+9

**Financial
Services**

-25

Logistics

-23

Retail

Conclusion

There have been hugely encouraging signs from some sectors, whilst others have struggled to continue previous successes in developing strong data strategies.

The leisure sector was significantly impacted in the pandemic but has been able to focus on improving operations this year, and it's encouraging to see data strategy at the heart of this.

However, retail is facing big challenges owing to the cost of living crisis which is forcing households to cut back on spending. These challenges mean data strategy has become less of a priority, but leaders are still aware that effective use of data is key to boosting competitiveness and surviving these turbulent times.

Clearly many experts across sectors believe that there is a long way to go to ensure that effective data capabilities are standard across their industry. Just 13% of respondents in our study said that their organisation's use of data makes it straightforward to build data models or insights - this needs to change to ensure that businesses are able to fully utilise data.

With the UK and many other markets around the world experiencing economic turbulence, it's clear that the work to improve existing strategies must start now if organisations are going to ensure they're not left behind. This means prioritising investment into strong data leadership, upskilling employees to be more data literate, and ensuring the right talent is in place to design, build, and implement data strategies that will drive real, lasting, positive change.

Good data strategies are essential, maybe more so now than ever before. The positive news is that business leaders are clearly aware that more needs to be done to improve their use of data, so this will no doubt become more of a priority for many organisations.

Total scores for 2022





It's important to establish the fundamentals of how to create a data strategy early on. With a strong performance in each of the six pillars, your data insights will play a key role in generating value and meeting business goals. If you've not yet completed our scorecard, you can find it here datastrategyscorecard.cynozure.com

Key steps to improve your data

Be clear on your objectives:

Make sure you're clear on what you're trying to achieve and why. Spend time understanding what business outcomes will really make a difference and focus your data work on helping to achieve those outcomes. This is a crucial first step as it's the area that will help direct what capabilities you need to put in place and for what benefit.

Develop data literacy:

Invest in improving the capability of your teams to make decisions guided by data, and organise them in the best way to make that happen. As you mature as an organisation, and the data industry evolves around you, you'll need to keep an eye on whether the skills and structure remain the most effective for the next stage of your development.

Be realistic and prioritise:

You should look to put in place a pragmatic and progressive approach to prioritisation, treating data as a product, scaling ideas into working solutions and measuring the impact well-managed data is having on your organisation.

Otherwise everyone will be pulling in different directions resulting in duplicated effort across multiple teams leading to frustration for everyone.

In order to maximise the success of your data strategy and realise the full potential of your data projects, there's a real need for collaboration across the business.

Find the right tech platforms:

Make sure you understand all the components of an end-to-end technology platform, assess whether you have these already or need to procure them and work with your technology strategists to design a platform that will meet your needs today and in the future.

Align with your business strategy:

Set policies and standards that are aligned to the use case and not simply one size fits all. Also, if buy-in is a challenge then remember to not focus on 'data governance' as a concept but instead ensure the conversation is aligned to strategic and operational business challenges.

Plan ahead:

Make sure your roadmap includes how you will address capability gaps and what the business focus will be. Agree funding to move you to the next stage and ensure that you're communicating and tracking progress.



How we can help

Good data strategy is something we're passionate about at Cynozure, and we'd love to share further insights with you.

Our ambition is to improve the general level of knowledge of data strategy within industry, and also help make practices and processes within data management more effective.

If you need advice about data strategy, or need some support getting things off the ground, there are a number of ways we can help, please visit our website cynozure.com to learn more.



About Cynozure and Big Data LDN

Data and analytics strategy consultancy, Cynozure, was founded in 2016 with the ambition to reshape how businesses view data. People first, business first and outcome focused.

With a history in driving business value through data and having worked in industry, Founder and CEO, Jason Foster set out to establish a new precedent on data strategy in a traditionally tech-led data industry, and is doing so through its Level Up Framework, which focuses on business outcomes and adding incremental business value. Jason's book, 'Data Means Business' – a guide for supercharging business growth by activating the power of data – covers the Level Up Framework and the six pillars in more detail.

Cynozure works with organisations spanning the private and public sectors, including Penguin Random House, Knight Frank, HSBC, Greenpeace and British Red Cross.

Today, the growing Cynozure team continues to work hand-in-hand with forward thinking organisations, developing best practice and making data more accessible for everyone. Cynozure is also an active member of the data community, regularly publishing whitepapers and blogs, as well as its weekly podcast – Hub & Spoken.

It was recently ranked 45th in the 2022 edition of Sunday Times 100, Britain's fastest-growing private companies.

Big Data LDN is a free to attend two-day combined conference and exhibition focusing on how to build dynamic, data-driven enterprises.

Delegates learn from pioneers, experts and real-world case studies, and discover new tools and techniques, which enables them to deliver business value from successful data projects.

The event provides delegates with the opportunity to discuss their business requirements with leading technology vendors and consultants and hear from expert speakers.

“ Today, the growing Cynozure team continues to work hand-in-hand with forward thinking organisations

For more information:



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[Download our Data Strategy white paper](#)

for a more comprehensive look at how to build and deliver your own strategy.