Maximize Business Value With Your Digital Information Strategy

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Developments such as the Internet of Things make information investments more crucial than ever. Our Enterprise Information and Master Data Management Summit set out four things information leaders must do when creating and implementing business-relevant information strategies for the digital era.

Key Challenges

■ Eighty percent of information leaders we've asked don’t clearly understand the business objectives of their information initiatives.

■ The traditional IT metrics information leaders often use to measure the success of their information initiatives don’t give an accurate picture or promote understanding of the value of information.

■ Some information is vital to business operation, shared by many and subject to outside regulation, but "big governance" isn’t the best approach for all your information.

■ Information leaders tend to put technology at the center of their information strategies, but it takes a community of people around information to really exploit its value.

Recommendations

Information leaders:

■ Focus your information initiatives on business outcomes and turn every conversation about information into a business conversation.

■ Change the way you measure success, because traditional IT metrics don’t work in the world of digital business.

■ Adopt bimodal information governance and invite new people from within your business to participate.
Put people at the heart of your information strategy, involving everyone who interacts with, produces or consumes important information assets.

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Introduction

The Internet of Things (IoT), the cloud, big data and smart machines are bringing tremendous opportunities for your organization, as well as disruptions. Information is the fuel of digital business, and increasingly an economic force. In addition to the enormous amounts of information inside your organization, you can benefit from tapping many valuable sources of external data, such as social media data and open data from governments. Things are moving very quickly, which is putting pressure on your people, the ways you work and your technology. Gartner predicts that there will be almost 26 billion devices tweeting and collaborating in the IoT in 2020. The time it takes for an innovation to be created, replicated and lose its differentiation will shorten further, so competitive advantage will be ever more fleeting.

As an information leader, you need to act now to create a business-relevant information strategy to support new information use cases arising from the demands of digital business. You need to communicate the business value that exploiting information can bring. This may not come easily to you, as numerous surveys have shown that only 40% to 60% of organizations conduct rigorous ROI analysis of their biggest IT investments. But you must replace "faith-based planning" with an actionable vision for improving business outcomes, explaining how information will play a key role in that effort. This will increase the ROI on your information assets and encourage the right level of "fail fast, fail often" exploration.
Focus Your Information Initiatives on Business Outcomes

To achieve a new business outcome, you must do things differently. Continuing the old way will keep producing the same results. Don’t wait until "things are stable" or "projects are finished" to start doing things differently. By waiting you will achieve nothing innovative — working really hard but getting nowhere.

In the digital world, the business becomes data and data becomes the business. Information becomes the most important corporate asset. The only thing that matters is your ability to create, capture and harness value from information. The data of interest is growing more diverse and distributed all the time, increasingly being generated and residing outside your enterprise. Everything is interconnected, from devices to people — including customers and employees — to your back-end systems. A seamless, well-governed and high-value flow of data throughout this ecosystem is what makes digital business work.

Your information strategy must focus on true business outcomes that can exploit data across this ecosystem to create value in the form of innovation, customer engagement and growth. From now on, ensure that every conversation about information in your organization is a business conversation. When reviewing an information strategy, ask yourself: "What business outcome am I seeking?" Although it’s an obvious question, when we ask it of clients, 80% have no answer, a vague answer or the wrong answer. Only 5% have a great answer (see Note 1 for an example).

Answering that question changes the conversation from one about systems and data to one about business and outcomes. If you can’t answer the question, you shouldn’t be doing what you’re doing. It’s never too late to stop projects that aren’t striving for a business outcome. Turn your information conversations into business conversations and you’ll begin to realize your goals.

As well as changing the subject of your conversations, you must also change the language you use. Your language is one of the most important tools with which to engage people and inspire them to participate. If you use the wrong words, you’ll lose people along the way. If you use the right words, you’ll get people excited about what information can do for them and for the business. Consider words that express value and opportunity, but aren’t boring or scary (see Table 1). Being a master of information management competencies, technology and business value isn’t enough; you must become a great communicator.
Table 1. Make Your Language More Inspiring

<table>
<thead>
<tr>
<th>Avoid Words That:</th>
<th>Use Words That:</th>
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<tbody>
<tr>
<td>Have not worked well for you in the past</td>
<td>Offer a fresh perspective and:</td>
</tr>
<tr>
<td></td>
<td>■ Fit with your organization’s culture</td>
</tr>
<tr>
<td></td>
<td>■ Describe how your information strategy will enable people to achieve something new</td>
</tr>
<tr>
<td>Center on narrow ownership</td>
<td>Center on real business value for the wider enterprise</td>
</tr>
<tr>
<td>Concentrate on lockdown and control</td>
<td>Describe broader use and value</td>
</tr>
<tr>
<td>Focus solely on information security</td>
<td>Encourage freedom of use</td>
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Source: Gartner (July 2015)

Change the Way You Measure Success

Traditional IT measurements matter very much to IT professionals, but they aren’t what you should be focusing on as an information leader in the digital world. Concentrate less on whether projects are on time and on budget, the amount of uptime, and your spending on technology and services from IT. Focus instead on things that affect business outcomes, such as:

■ Process improvement
■ Time to market
■ Revenue
■ Customer retention
■ Employee satisfaction and retention

To ensure a good "information outcome," be clear about the answers to the following questions:

■ Why are we doing this?
■ What business outcome will it achieve?
■ Which processes will it affect?

When you understand the business outcomes you are seeking, you can devise relevant information metrics. These should relate to the business metrics of:

■ Reducing the cost of operations
■ Lowering risk
■ Improving resource optimization
■ Finding new sources of revenue
Driving growth
Fostering innovation
Monetizing data by gauging its worth and generating economic value from it

People significantly influence the business outcomes from applying information as an asset, so you must change the way you motivate and measure people. You must:

- Make everyone see the centrality of information in everything they do
- Help people understand the change you are asking them to make
- Explain why changing is important and why a new way of doing things is better, more productive and easier

Adopt Bimodal Information Governance

Once you know why you are doing something, you must then focus on how to get it done. This should be a governance conversation, not a conversation about systems, data or technology. Information governance is about the rules that manage information, the people who make those rules and how the organization enforces them.

Although, like many information leaders, you may have made much progress in engaging business partners in information governance efforts, you probably still face challenges. Many people don’t like rules. Even people who do like rules don’t like other people making rules for them, but would prefer to make the rules themselves.

Sometimes you must have strict rules — for your organization’s vital records, for example. And you have no choice if a regulator states that you must protect data privacy or record communications with customers. However, we estimate that this is the case for only 5% to 7% of the information in your organization. That means that you can choose how to govern more than 90% of the information in your organization. For business continuity information (the information needed locally to keep a business unit running), it makes sense to allow the people who use and work with the information every day to make the rules based on their own business needs.

Governance should be a democratic exercise, with all the advantages and problems that democracy brings. In most organizations, though, governance is far from democratic.

We advocate bimodal information governance, which combines “big governance” with agile governance. Big governance is characterized by heavy, top-down, inflexible rules and policies for all data. Agile information governance involves as few rules as possible and decentralized decision making, without reference to any outside authority. Following agile information governance, business teams that are closest to the uses and implications of the particular data can adapt governance policies to best meet their needs. This is similar to the concepts of agile methodologies that enable teams to support information advocacy by making local decisions without strictly enforced guidelines from above. Agile information governance gives consumers of information some freedom to innovate and personalize.
In bimodal information governance you would use:

- **Mode 1 (big governance) for:**
  - Your organization’s vital records
  - Regulated information, such as financial information with a defined format and a set retention period, and a set of laws or regulations telling you what to do

- **Mode 2 (agile governance) for:**
  - Business continuity information
  - Ephemera or items with no lasting significance

If you follow a bimodal governance approach, you must invite new people from within your business to participate. You must manage the agile governance part as a change program of everyone’s use and stewardship of information. You will be asking the creators and users of business information — in other words, everyone — to change the way they think about and work with information.

Devolve the rulemaking power for the agile governance part to the business users. That way they can make rules that suit their business needs. Ensure they make rules that are simple to implement, with the benefits well communicated to everyone.

We’ve already discussed changing the language you use — you may decide to avoid using the word "governance" altogether as it can seem like legacy baggage. More Gartner clients are using alternative names, such as "enablement." Few people are inspired by the word "governance." Some actually feel threatened by it, perhaps interpreting it as a loss of freedom.

**Put People at the Heart of Your Information Strategy**

Putting people at the heart of your information strategy is the most important change you can make to achieve a high level of maturity and impact from your information investments. Focus on people — roles, skills, behaviors, incentives, accountability and empowerment — not methodologies, vendor relationships, tools or technology.

Information management is about people. When people set the rules about information and decide how it should be managed as an asset, they will feel more responsible and engaged. It can take a long time to achieve a high level of maturity. The payback will be huge if you invest now — in crafting a vision, honing your strategy, putting the right technology in place and, most importantly, in your people. You will gain a very favorable position on the information yield curve (see Note 2) and potentially create a huge digital deficit for your competition (see Note 3).

You need to build a community of people around information all across your extended enterprise. Include customers, suppliers, service providers and everyone who engages with information assets that matter to you.

Ensure that people have specific roles and responsibilities for performing the strategic and operational day-to-day activities that constitute information management. This will make your organization information-centric. Devise well-formed processes for how those roles execute their
responsibilities. You have probably never had such processes before. Perhaps everyone assumed
that devising them was someone else's job, or you delegated it to people who did not have the time
or training to get it done, or you did it outside of process in an ad hoc, reactive manner. It is very
unlikely you have put in place the mechanisms to follow up, track, measure and confirm that the
work is being done.

In successful organizations of every type and in every industry, somebody owns the vision, strategy
and execution for each critical area — except information. This situation needs to change.
Information is a critical asset and you must manage it as such. You need people deeply engaged
with using information to build and execute a strategy to manage it and derive maximum business
value from it. You need an executive-level leadership role focused on information: the emerging role
of the chief data officer (CDO).

CDOs are becoming more common. A Gartner study showed that 19% of large enterprises had a
CDO at the end of 2014. We estimate that there are approximately 300 of them, but we expect that
number to double in 2015. We predict that half of all enterprises, particularly in regulated industries,
will have a CDO by 2017. To help with your own justification for a CDO role, ask existing CDOs what
inspired their leadership to create an executive-level role focused on information.

The CDO role is about ensuring that the enterprise:

■ Creates and evolves a business-relevant information strategy
■ Executes its information strategy
■ Derives maximum business value from its information strategy

Regardless of your job title, you may already be playing the role of a CDO in your organization. You
don’t need the CDO job title, but you do need a mandate from your top executives and from the
people around you to actually do something different.

Many people must be involved and active in helping you carry out your information vision and
strategy. Ideally, everyone who interacts with, produces or consumes important information assets
should be involved. Information management should be a team effort, but it’s hard getting lots of
people engaged on this all across your organization.

Adopt a "Humanist" Approach

To succeed in promoting engagement, you must adopt a humanist approach to information
management (see "Drive Digital Business Using Insights From Symposium’s Analyst Keynote").
Technology’s role in such an approach is to put people at the center, enabling them to achieve
things they never believed possible or redefine the way they can achieve their goals.

In digital business, you need to think in terms of behaviors, emotions and interactions, not
traditional processes. You must value collaboration and sharing. The keys to success will be:

■ Encouraging participation by everyone
Promoting an understanding of information and its value
Giving the freedom to use, experiment with and share information

Ask these questions about your critical information projects:

Have I put people at the center?
Have I put people in control of information?
Am I giving people freedom through self-service capabilities?

Unfortunately, information management is generally not strong in most organizations, even relative to historical requirements. It’s certainly not strong in the face of new digital business requirements that are increasing the importance of getting it right.

You need to engage people, inspiring them to lead the information charge. You must adopt a humanist approach to information management if your organization is to become a digital business.

Learn From Organizations Already Exploiting Their Information

Organizations in many industries are already successfully generating significant value from their information strategies by exploiting information as a strategic asset. For example:

- Intel rigorously assesses the quality of key corporate datasets to optimize investment decisions.
- Jetta, a regional oil and gas group, has expanded its master data management (MDM) program toward broader enterprise information management, including content and geospatial data. This has dramatically improved business operations.
- Cox Automotive has used information capabilities to manage customer engagement across interactions with 20 different brands.
- Michelin has built its MDM program into a major driver of business benefits.
- Leeds City Council in the U.K. is transforming government through the use of open data.
- Bupa, a private healthcare organization in the U.K., is turning commodity operational data into new information products.

Look around you to identify the best approaches and techniques for achieving your goals, and also to rule out approaches that won’t work for you. Innovate based on the best approaches and techniques you discover, particularly from organizations in other industries.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Toolkit: Information Strategy Cookbook"
Evidence


2 Analysts in Gartner’s information management team took more than 250 inquiry calls from clients between 1 January 2014 and 1 July 2015 on devising information strategies. (We expect the number of such calls to increase by more than 70% in 2015 over 2014.) When we asked clients during some of those calls what business outcome they were seeking, half did not know or gave an extremely vague answer. The results were:

- No answer or something too vague to be considered an answer: 50%
- Wrong answer: 30%
- Good answer: 15%
- Great answer: 5%

Note 1 Great Answer to the Question, "What Business Outcome Are You Seeking?"

"We want to move from having a department-centered information strategy to a patient-centered information strategy" — one great answer we received from one of our healthcare clients.

For your own organization, you might decide that you want to move from having a department-centered information strategy to a strategy centered on customers, products or citizens.

Note 2 Information Yield Curve

Gartner’s information yield curve is a conceptual model for expressing the rate of return on investments in information management over time. The information yield curve helps to explain visually the possible impact of each information management investment on business outcomes.
and performance. By using the curve and showing how investments should change it for the organization, you can start to explore what prevents or enables progress along the curve. The yield curve can help you align work and effort, and realign efforts as programs are in progress. See "Increase the Return on Your Information Investments With the Information Yield Curve."

**Note 3 Digital Deficit**

A digital deficit occurs when an organization has a surfeit of information but a deficit of value. It emerges when the organization budgets for mediocrity, and grows when the organization stops fighting for the change it needs to make.

A digital deficit starts to make a difference when the organization makes insufficient investment in information. The poor quality of information — and its consequences — affect the organization's ability to perform. The organization then has to work harder to reduce the digital deficit.