

Whitepaper

How to create a data strategy

A step-by-step guide to getting the most from your data

IKANO
Insight





What is a data strategy?

We all know data has tremendous business value. Recent research has found that, since 2018, the number of UK businesses investing in big data has doubled. However, despite this, nearly half of these businesses report a lack of data strategy as a challenge to the progress of data-led projects.

It's all too easy to dive into data analysis without having a clear idea of what you want to achieve and how you're going to achieve it.

Whether or not your business is already using data to inform actions and decisions, you will need a data strategy to set out the role it plays within and across your organisation. A data strategy aligns your business plan and priorities with your technology strategy and capabilities will be unique to your company.

So, if you're ready to start unlocking the power of data for your business, but you need a data strategy to ensure your efforts stay on track, this guide is for you.

Here's how to create a data strategy for your business.



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1. What do you want to achieve with data?

Data can reveal real actionable business intelligence for every type of commercial organisation, but it's important to know exactly what you're looking to find out and why before you start crunching numbers.

Simply analysing data without a clear purpose is unlikely to give you anything you can use to make a difference within your business.

Of course, every organisation will have a unique data objective or set of data objectives specific to its operations, but here are some broad examples of ways data can be put to use:

- **Informing decision making**
- **Understanding customers and market trends**
- **Delivering improved/more personalised customer service**
- **Automating operational processes to make them more efficient**
- **Assessing the market for new products or services**

Your data objectives should also tie-in to your wider business plan, so think about the ways in which your organisation is looking to grow and ask yourself how data can help you achieve it.

What business questions could data help you answer?

Create a data strategy document for each data objective, starting each one with the objective itself. You can then add details of each of the following steps to your documents as you work through this whitepaper.

A woman with curly hair, wearing an orange jacket, is pointing at a computer screen. A man with a beard, wearing a green shirt, is looking at the screen. The background is a modern office with large windows and concrete pillars.

2. Set KPI's for your data objectives

Once you've chosen your data objective(s), you'll need to decide how you will measure success.

Or, in other words, how will you know when you've done what you set out to do?

In particular, you should consider:

- Which business metrics will each of your data objectives affect?
- What will be the key result of each data objective?

Create key performance indicators (KPIs) for each of your data objectives, so that you can track progress once you start working on them.

3. What data will you need to achieve your objectives?

Now that you've prioritised one or more business objectives that data will help you work towards, and how you will measure them, you should ask yourself what data you will need for each one. Do you already have access to this data, or will you need to source it from somewhere else?

Say your business's data objective is to personalise the buying experience for your customers in order to boost revenue and customer loyalty.

You would need transactional data going back several years, including what your repeat customers have bought, and key personal data about them, such as demographic and behavioural information. Chances are this would all be extractable from your CRM system, so you should have all the data you need.

But, if your data objective is to identify the best location for a new business branch based on local market potential, you would need data from outside your organisation too. Online search query data combined with open source population data would give you the most accurate geographic visualisations, highlighting areas of high demand for what your business provides based on population/per capita.

List the data sets you think you will need, as well as where you will get them from.



4. Ensure your data objectives align with your data policy

Working with data comes with a considerable amount of regulation, not least, the General Data Protection Regulation (GDPR), which oversees the use of personal consumer data. Data governance consists of privacy issues, ownership, access, security and data quality so, alongside a data strategy, it's vital that your business can demonstrate that it is using data lawfully.

For this, you'll need a data policy. This is a document that should detail compliant processes and procedures for collecting and storing data, both within your business and via third parties, as well as your organisation's approach to and process for data retention and deletion. Not having a data policy can leave your business open to hefty fines under GDPR and other consumer data regulations.

Crucially, your data policy should also include a schedule for regular data auditing.

A data audit is a thorough examination and appraisal of the data your business holds and how it holds it and should ensure that your organisation is both legally compliant and working with good quality, up-to-date data.

Not yet devised a data policy or carried out a data audit for your business? Don't worry. We have created another white paper - How to do a data audit - dedicated to auditing your organisation's data for the first time and creating an ongoing data policy. Download it here. With the groundwork of a data audit and data policy done, you can then make sure that the data objective(s) within your data strategy - and your plans for completing them - are legally and organisationally compliant.

Let's talk!

If you'd like to chat to one of our experts about how we could help you get more from you data, then please get in touch

Get in touch

5. What data analysis technology and/or skills will you need?

So, by this point, you have your data objective(s), the data sets you'll need to complete them, and you know you are working within legal and organisational data parameters. The next consideration is what you will use to analyse your data in order to meet your data objectives. Do you have the data analysis software and/or hardware you need? What about the data analysis skills within your organisation?

Today's data analysis tools and technology suites are powerful bits of kit, capable of processing and dissecting data much faster and more efficiently than is humanly possible. There are plenty of free data analysis tools around, but these tend to be narrow in their focus and limited in their functionality, with results that require a good deal of interpretation before they can be put to use.

Depending on your data objectives, you may need a number of different data analysis applications, such as data comparison and visualisation software, data modelling tools, dashboard and reporting tools, customer profiling software and social listening capabilities. List the types of applications you think you'll need, so that you can source them with a clear idea of the functionality you're after.

To get the most from your data analysis, you will also need people within your team who can use these applications to their full capacity and know how to interpret the results. Will you need to invest in training or new hires?

Thinking about all the resources you will need to incorporate data analysis into your business operations before you begin, and recording these within your data strategy, will ensure you can hit the ground running.



6. Choose a data insight company and bring your strategy to life

Your data strategy should now consist of one or more business-centric data objectives, each complete with KPIs and data, technology and skill requirements, as well as the legal and organisational compliance they need to operate within. This framework will guide your data analysis as you work towards your objectives.

Of course, there's no need to embark on data analysis single-handedly. Partnering with a specialist data insight company like Ikano Insight can give you access to all the data analysis tools and expertise you need, without having to invest in-house.

Working with you to discover exactly what your business is looking to achieve through data, we can also help you create a data strategy that aligns with your wider business objectives and gives you the competitive edge.

How to create a data strategy

**Want to find out
more?**

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