DEVELOPING A DATA-DRIVEN STRATEGY

MORE THAN JUST A HOPE
FOR BETTER THINGS

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"Then it's settled—our strategy is to hope for better things."

Historically, business decisions have often been made based on limited information, instinct, and a gut level intuition of what is happening in the markets. While this practice may be acceptable, positive outcomes from this type of approach are generally difficult to replicate or adapt with shifting landscapes. Winning has largely depended on the personal intelligence and luck of the person (or teams) making the decision(s) with an overall hope for the strategy to be successful in the market. While data has not always been available to businesses to make well informed decisions, the abundance of data that is available today provides a tremendous opportunity for executive leaders who both understand this advantage – AND – who are committed to make the investment necessary to equip their organizations with a data-driven strategy focused on becoming a long-term, sustainable business of excellence.

COMMON PAIN POINTS

According to a recent global McKinsey survey, a number of common obstacles are holding organizations back from becoming data-driven. Among the most common include a lack of front-office controls that leads to poor data input and limited validation inefficient data architecture with multiple legacy IT systems; a lack of business support for the value of a data transformation; and a lack of attention at the executive level that prevents the organization from fully committing itself.

While system compatibility and data control are certainly part of the problem that organizations face, the largest obstacle is the ability of people and organizations to be able to adapt to change. New Vantage Partners conducted a longitudinal study over the past 10 years from 2012 to 2022 across multiple industries on the state of corporate data initiatives. Specific focus areas included initiatives that large companies are focused on, where they are investing and the subsequent returns, the roles assigned to manage data, and primary issues that are causing significant challenges. Key findings in the study include the following:

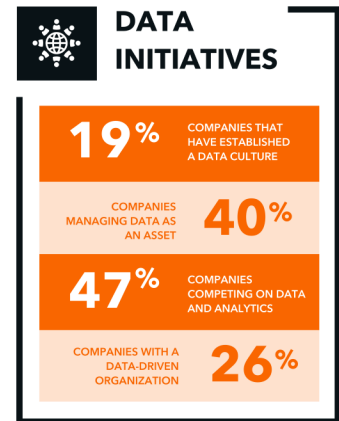## 1 Investments continue to grow in Data and AI initiatives as efforts deliver measurable results.

The findings indicate that 97.0% of participating organizations are investing in data initiatives and that 91.0% are investing in AI activities. This year, 92.1% of organizations report that they are realizing measurable business benefits, up from just 48.4% in 2017 and 70.3% in 2020.

ORGANIZATIONS REALIZING MEASUREABLE BENEFITS

92%	YEAR 2022
YEAR 2020	**70**%
48%	YEAR 2018
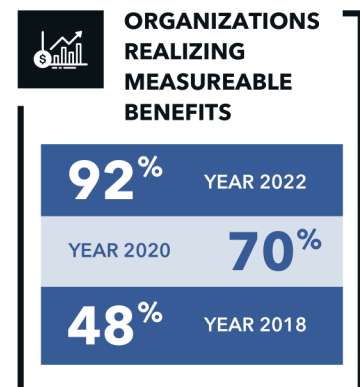
2 Achieving data-driven leadership remains aspirational for most organizations.

Only 47.4% of the respondents said that they were competing on data and analytics, and only 39.7% reported that they were managing data as an enterprise business asset. Only a quarter (26.5%) reported that they have created a data-driven organization, and a mere 19.3% indicated that they have established a data culture.

DATA INITIATIVES

19%	COMPANIES THAT HAVE ESTABLISHED A DATA CULTURE
COMPANIES MANAGING DATA AS AN ASSET	**40%**
47%	COMPANIES COMPETING ON DATA AND ANALYTICS
COMPANIES WITH A DATA-DRIVEN ORGANIZATION	**26%**

3 AI initiatives are accelerating, but implementation of AI into widespread production remains low.

Organizations reported a doubling of AI initiatives – 26.0% compared to just 12.0% since 2021. Overall, 95.8% of organizations have AI initiatives that are underway in pilot projects.

AI INITIATIVES

26%	YEAR 2022
YEAR 2021	**12%**
96%	OVERALL
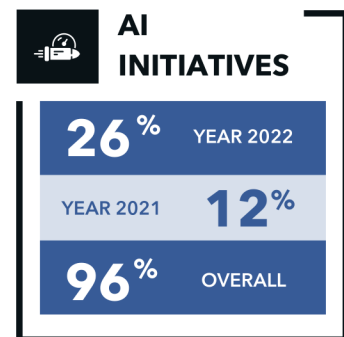
4 Organizations are establishing the leadership function through creating roles such as a Chief Data and Analytics Officer.

The percentage of organizations who have appointed staff to such a role continues to increase – up from 12.0% in 2012 when the survey was first conducted to 73.7% in 2022. However, with just 40.2% of companies reporting the role as being successful, there is clearly work to be done to maximize the potential offer of the data-driven approach.

CHIEF DATA OFFICERS

74%	YEAR 2022
YEAR 2012	**12%**
40%	COMPANIES REPORT POSITION SUCCESSFUL

5 Becoming data-driven requires an organizational focus on cultural change.

For the fourth consecutive year in the study, over 90% of executives point to culture as the greatest impediment to achieving this business outcome. Of most significance, only 8.1% cite technology limitations as the primary impediment.

DATA CULTURE

IMPEDIMENTS TO BUSINESS OUTCOMES

90%	**8%**
CULTURE	TECHNOLOGY
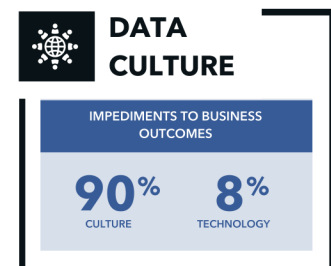
MOVING FORWARD

While most CEOs would agree that digital transformation is critical, leaders are also faced with the reality that time is finite, and they must navigate difficult decisions with competing priorities for focus on transformation. For leaders who aspire to initiate digital transformation efforts, research demonstrates that leaders across multiple industries are engaging and adopting new strategies. For companies who have been slow to adapt to developing a data-driven strategy, the time to act is now.

According to the June 2021 edition of the Fortune/Deloitte CEO survey of 110 chief executives across more than 15 industries, three common focus areas surfaced. Seventy-four percent of CEOs say their organizations are pursuing large-scale digital transformation initiatives, 71% are investing in workforce transformation, and 46% are prioritizing sustainability-focused transformation.

Within these three priority focus areas, five priority areas emerged:

1) Digital Transformation
2) The Future of Work
3) Climate Change
4) Trust
5) Resilience

We believe that the path to building a sustainable long-term business to execute on these priority areas, and to achieve a competitive advantage in the market, will be dependent on a corporate's ability to harness the power of transforming and future-proofing their organization through adopting and executing a data-driven strategy.

DATA-DRIVEN STRATEGY

STRATEGY ELEMENTS

Executive teams embarking on the journey must ensure that the systems, repositories, and databases that are housing the data are connected in the most effective way possible to allow for efficient usage and consumption across the entire organization. If this is not achieved, overall operational efficiency will be impacted and performance across the entire organization will drop.

In order for the organizational culture to move toward accepting a data-driven approach to strategy, executives must provide a strategy roadmap for the journey. A roadmap is an essential guide for an organization to be able to identify milestones and markers over time and it is essential to measure these markers over years and decades. The elements of a clear data-driven strategy include executive leadership leading the way on identifying the core elements of organizational strategy, setting targets, and revealing the outcomes related to strategy.

Below, we provide a succinct explanation of each of these elements and how they can be applied to any organization.

[Element descriptions on next page]

ELEMENT DESCRIPTIONS

STRATEGIZE

Developing a concrete understanding of material issues and a strategic roadmap is essential in the pursuit of winning. Elements of this roadmap include securing the mandate from key stakeholders, identifying advantages and opportunities, creating pillar goals and desired outcomes, and allocating resources to ensure that the work is not only endorsed, but also positioned throughout the organization for execution and success.

TARGET

Hypothesis formation is essential in identifying key performance indicators. The formation process relies on asking and answering key questions such as:

- How will we know our assumed success to be true?
- How can we move beyond static assumptions applied to fixed models?
- How do we know that the business is aligned with stated principles?

KPI identification must consider investor expectations, business best practice measurements, and compliance related issues such as governance, shareholder rights, and auditing measures. Key data functions such as peer benchmarks, OKR progress, and quarterly anticipated KPIs are essential in providing building blocks for success.

REVEAL

Linking key reporting metrics to stakeholders and testing the hypothesis through evaluating key assumptions through data assessment, allows for evaluating outcomes relative to intended strategy. Results of this process lead to confirming and reorienting KPIs to respond to the evolving needs of the organization. This circular assessment ensures that continuous organizational learning and evolution is occurring and the overall process is driving the organization toward optimal performance.

ANDURIL
SOLUTIONS

ARE YOU LEVERAGING YOUR DATA?

Data, like water, is an abundant resource but it must be prepared and utilized for specific purposes. Our focus on modeling KPIs will equip your teams to execute with decisive data-driven decisions. We help you leverage your data into actionable insights and increase your probability of success through real-time Key Performance Indicators (KPIs).

ANDURIL APPROACH

The Anduril team provides clients with expert personalized and customized services built on a foundation informed by multiple decades of experience in the industry. We understand data and we understand how organizations work. Let us walk beside you and your team as you pursue developing your data-driven strategy to assist you in getting over the hurdle so you can win in the market.

The Anduril platform offers a robust digital strategy engine with access to industry KPI data sets, customized data aggregation, data analysis tools, and data collection assignments for individuals and departments. It also serves as a repository for comprehensive reporting to internal and external stakeholder requests.

Our services put an end to indecision and will accelerate your journey toward a data-driven culture. We help our clients transform data into decisions by prioritizing business objects and building a foundation for an effective data-driven culture. Our experienced team will help you build your dashboard and develop a robust suite of KPIs that you can trust and act upon.

ANDURIL SERVICES

KPI STRATEGY

Put an end to indecision by prioritizing your business objectives and building a foundation for an effective data-driven culture.

TECH EVALUATION & DESIGN

We develop a solution that fits your organizational needs, resource allocation, and technology capabilities. We also evaluate data providers, existing vendors, and offer alternative solutions when there are opportunities for improvement.

KPI WORKFLOW

Put your KPIs to work by integrating and implementing your KPI's into systems and decision-making flows.

PROCESS DESIGN

Workflows are the backbone to data-driven decision-making. We create workflows that drive clarity, seamless information flow, and decision-routing; leading to accelerated and sound decision-making within your organization.

IMPLEMENTATION

We stand-up test environments that run parallel to existing solutions then help your organization go live.

KPI DESIGN

Develop a robust suite of KPI's and dashboards that you can trust and act upon.

KPI DEVELOPMENT

An interactive process iteratively cycling through the three layers below until each KPI is validated and optimized:

- Layer 1 - Hypothesis Formation: What fundamental questions will accurately achieve my business objectives?
- Layer 2 - KPI Development: How should data be formulated to produce optimal KPIs? What can and cannot be measured?
- Layer 3 Data Validation: Are KPIs reliably supported, and do they provide ground-truth perspective?

DASHBOARD DESIGN

A canvas upon which KPI's and signals are placed to represent current state while providing monitors & alerts, and initiating workflow activities. We pair graphic design experts with industry practitioners to generate maximum value in dashboard design.

SIGNAL DEVELOPMENT

Signals can be critically important in providing early warnings. As a complement to KPIs, they act as "scouts" that provide early indicators of changes that may impact KPIs.