



**BOOM
BOARD**

Business Data

STRATEGY GUIDE



Do you have a data strategy? Or, in simpler terms, do you know what you want to achieve with data for your business? For instance, do you know what your vision is, what your objectives are, what the outputs will be, what your goals are, what resources you need, what technology you'll use, how much it will cost, what the risks are and so on. If not, you're likely to end up doing nothing. Or, even worse, you're likely to deliver a range of tactical, isolated, disconnected things with your data, which could potentially make your data challenge even more complex to solve in future. Plus, there's a risk that you could introduce more risks and costs into your business as a result of not thinking things through properly.

Don't worry if you don't have a data strategy – you're not alone. Most businesses don't have a data strategy unless they have a chief data officer or head of data, which is a luxury largely afforded to large organisations only, not your everyday SME. So, let's create a data strategy now...

WHERE TO START

There are three ways to start defining your business's data strategy:

1. **Top-down** – Where you use the business strategy to inform the data strategy, so that the data strategy becomes a sub-component of the business strategy.
2. **Bottom-up** – Where data insight is used to inform the creation of a data strategy and this then informs the business strategy.
3. **Hybrid** – Where you use a combination of a top-down and bottom-up approach for data strategy development.

Each of these methods is a good way to build a data strategy, so let's explore every one in turn.

TOP-DOWN DATA STRATEGY DEVELOPMENT

A top-down data strategy starts with your business strategy. Hence, the first action is to review your business-strategy document. But what if you don't have a business strategy yet? Or if you do, perhaps it's unavailable, incomplete or out of date? This is where you can use a business strategy workshop to gain strategic input from your business leaders instead.

The questions you'll want to ask your business leaders are as follows:

a. What's the primary business priority?

The answer could be one of these:

Acquisition – winning X more clients or £X revenue next year

Retention – reducing attrition from X% to Y%

Expansion – launching into X more markets with Y more products

b. What are the core metrics or key performance indicators (KPIs) you use to measure performance?

The answer could include one or more of these:

Financial – revenue, cost and/or profit

Customer – volume, lifetime value, retention and/or satisfaction

Sales – leads, conversion rates and/or new-client volumes

Marketing – response rates, engagement and/or brand awareness

c. Who are your target customers?

The answer could include specifying one or more of these:

Type – individuals and/or businesses

Location

Business size and/or sector

Demographics

Socioeconomic factors

Characteristics

Needs

Behaviours

d. Where are you performing well and not well?

The answer could vary by one or more of these:

Location

Product

Department

Customer segment

Channel

e. What are the critical success factors for data within your business?

The answer could include one or more of these:

Data security

Compliance

Regulation

Governance

Brand and values

Reporting specifications

Creating a competitive advantage

Delivering within a defined timescale

Solving a defined problem first

This top-down approach will help you to see where data can be used to support your business strategy, so that your data strategy can be complementary and aligned to it.

Your data strategy NEEDS to power your business strategy to be successful, both in terms of your data outputs and politically; your stakeholders need to see data as part of the solution for business growth, and not as an isolated or separate business task. It's imperative that you have the buy-in of your senior leadership team right from the start.

BOTTOM-UP DATA STRATEGY DEVELOPMENT

A bottom-up data strategy starts with the data, which is then used to inform the business strategy. Hence, this starts with the data and the insight that already exists within your business. To collate this data and insight, you'll probably need to speak to different people within your business, as different people often hold different parts of the data puzzle.

This could include your data team (if you have one), customer service team, finance team, sales team, marketing team and so on. You'll need to ask each of them about the data and the insight they have derived from the data in their business area; this needs to include asking them what they don't know.

Here are some examples of how the answers are likely to vary significantly depending on whom you speak to. So, make sure you speak to all the core business areas.

BUSINESS AREA	WHAT YOU KNOW	WHAT YOU DON'T KNOW
CUSTOMER SERVICES	<p>How many customers we have</p> <p>Who calls us the most</p> <p>Who complains the most</p> <p>What are the variations by hour/day of the week</p>	<p>How customers have changed over time</p> <p>Who our high-value customers are</p> <p>Which clients are good/bad payers</p> <p>Who attends our events</p>
FINANCE	<p>How much revenue we receive</p> <p>How much we spend</p> <p>Which clients are good/bad payers</p> <p>What the variations by product/location are</p>	<p>What revenue will be next month/year</p> <p>What the cost per acquisition is</p> <p>How profitable each customer is</p> <p>How efficient our people are</p>
SALES	<p>Number of leads generated</p> <p>Lead-to-sales conversion rate</p> <p>Number of new clients every month</p> <p>How satisfied customers are</p>	<p>How profitable each customer is</p> <p>How long customers stay with us</p> <p>Who engages with marketing activity</p> <p>Who attends our events</p>
MARKETING	<p>How we segment our customers</p> <p>How many customers engage with us</p> <p>How many customers attend events</p> <p>How many leads we generate</p>	<p>What the return on investment (ROI) is for marketing activity</p> <p>What our cost per acquisition is</p> <p>Who our highest-value customers are</p> <p>How many leads convert to sales</p>

HUMAN
RECOURCES

How many staff we have
How much we pay people
How many sick days employees
take
Which employees are poor
performers

Which employees generate the
most sales
Which employees offer great
service
Which employees engage with the
board
Which employees might resign

This data can be used to inform the data strategy and, ultimately, the business strategy, as it will show you the current facts and figures available across the business, as well as the gaps and potential data opportunities.

HYBRID DATA STRATEGY DEVELOPMENT

This is a combination of the top-down and bottom-up approaches to data strategy development, and it's our recommended methodology. The top-down approach will make sure that you're aligned to the business strategy and to your strategic business requirements. The bottom-up approach will ensure that you don't duplicate or ignore what's already been done.

Which one should you do first? That depends on your business and your role. If you believe that you'll receive good engagement across the business, then start with the bottom-up approach and use the information you gain to run a top-down data strategy workshop with your business leaders; this will mean that you'll know what you're talking about, which will inspire confidence in your ability to implement the data strategy.

If, however, you think you need buy-in from senior leadership in order to be able to fully engage all business areas for the bottom-up approach, you'll need to start with the top-down approach. Once you have senior leadership commitment, you'll then have a mandate to run the bottom-up approach across all business areas.

In both cases, your data strategy should evolve as you bring in both the top-down and bottom-up components. Regular iterations of developing your data strategy are the key, so keep an open mind throughout this process and try not to jump to conclusions early.

DATA STRATEGY CREATION

What's a data strategy? Is it a 50-page document? Or a 10-slide presentation? It could be either; there is no one-size-fits-all data strategy, as it needs to be tailored for your business.

However, there are some core areas that should be included within your data strategy:

Objective

- What's the primary purpose of this data strategy?
- How does the data strategy help the company to achieve the business objectives?
- Are you maintaining, evolving or transforming what you do currently?
- Is there a metric or KPI that you want to achieve?

Vision

- What does 'good' look like?
- What's the ultimate end goal for the data strategy in one, five or 10 years?
- How will the business be improved as a result of this data strategy?
- Where are you on the data maturity curve, and where would you like to get to?

Scope

- What's in and out of scope?
- Does this data strategy cover all locations, products and departments?
- What data sources are included across your business areas, tools and platforms?
- Is there a limit on what data will be included?

Priorities

- What are the quick wins?
- What are you doing first, second and third?
- Why have these areas been prioritised?
- Why have other areas been de-prioritised?

Governance

- How will you comply with legal requirements and regulations?

- How will you handle data security?
- How will your data strategy support your brand and values?
- What documentation and user guides will you produce?

Resources

- How will your data skills change?
- Will you use in-house resources or external resources?
- Will you use your current team or recruit new people?
- What training and upskilling will be required?

Budget

- What are the costs over time?
- What are the costs for resources, third-party tools, licences, training, etc.?
- Are there any cost savings?
- Are there any cost uncertainties?

Timeline

- What tasks will be required?
- Who will do the tasks?
- When will they do the tasks?
- Is there any contingency built in?

Risks

- Are there any compliance risks?
- Are there any commercial risks?
- Are there any people-related risks?
- Are there any issues that could impact the successful delivery of the data strategy?

As you can see, your data strategy requires significant effort, research, preparation and thought. Whilst your data strategy could be created in a day, the knowledge and thinking could take you some time to work through, both individually and with your stakeholders.

We love a one-page data strategy, because if you can't explain your data strategy on a page, you'll never be able to explain it to your board, leadership team or key stakeholders. Whilst there will be a lot of detailed content that sits behind your one-page data strategy, we highly recommend that you create one for situations where you have limited time with key decision-makers.



FOR MORE TOOLS, TIPS, AND TEMPLATES,
CHECK OUT OUR OTHER GUIDES AT:

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