The Big Data Race

Learning from the leaders of data commercialisation
The Big Data Race

Data has emerged as the most valuable commodity of the 21st century - the gold of the digital era. Companies must now race to unleash the commercial potential of their data assets. Those that cross the finish line first will become the market leaders of tomorrow.

Organisations across all sectors are sitting on data goldmines. The scale of the opportunity is so vast that Gartner predicts that by 2021 investors will evaluate companies on the strength of their information portfolios. The value of your data and how you use it will increasingly impact your balance sheet and your profit and loss account. Soon, it could overshadow all other tangible and intangible assets.

When harnessed in the right way, data offers an unprecedented opportunity to better understand your customers, improve your products and services, and secure new revenue streams. It will impact every aspect of your business – how it is run, how it innovates and how it delivers sustainable value for shareholders.

Unfortunately, we know that many organisations are not even close to realising this potential. Our survey of more than 350 global decision makers reveals that the vast majority of companies struggle to commercialise their data assets, as a lack of vision, talent and understanding become roadblocks to success.

The good news is that our research also reveals a cohort of companies that have cracked the code. We call these organisations the data leaders. We set out the lessons they can teach us across six key areas: strategy, talent and capabilities, regulation, infrastructure, data governance and collaboration and connection.

Taken together, they offer powerful insight into how you too can unlock value from your data assets, and ultimately pull ahead in the Big Data Race.

About the research

Simmons & Simmons worked with an external research agency, Longitude (a Financial Times company), to develop and conduct the survey and create the benchmark index results. Longitude was also involved in the development of the online benchmarking tool. To test our hypothesis and survey questions we consulted with an advisory board, comprised of data experts including Intent HQ and Privitar, and TMT sector industry representatives, to define the factors relevant to a successful data commercialisation strategy. We then created a survey that measured the approach of companies to those factors (over 350 TMT companies responded to the survey in May and June 2019). Companies located in the following counties participated in the survey: France, Germany, Hong Kong SAR China, Italy, Japan, Mainland China, Saudi Arabia, Singapore, The Netherlands, UK, United Arab Emirates and the US. That has produced the survey results that underlie the benchmark index.

Definitions

Data commercialisation: defined broadly as the harnessing and analysis of internal and external data to enable better business decisions and develop data driven products and services. It includes obtaining a direct return on data assets.

Leaders and laggards: defined as the highest and lowest scoring 20% of the companies surveyed against the Simmons & Simmons data commercialisation index (based on 18 indicators measuring different aspects of an organisation’s approach to data commercialisation and categorised into the six key areas of best practice described in this report).

How effectively does your company commercialise data?

Assess and compare your own data maturity against the market with our online benchmarking tool.

Visit our website for more information.
Getting started: Creating a data commercialisation strategy that works

Too many organisations only harness data assets for one or two use cases. This is not enough. If you’re to unlock the true value of your data, you must look beyond tactical approaches and inject data-driven insight into every part of your business.

To do this, you’ll need an effective data commercialisation strategy that ripples across your entire organisation. Once this is in place, business functions will align. Executives will be empowered to innovate. And the right cultural shifts will happen to effect change.

But what does an effective data commercialisation strategy look like? And who should lead the charge?

Learning from data leaders

Our research reveals the five habits that allow data leaders to develop effective data commercialisation strategies and unleash the true value of their data.

They keep their eyes on the prize
Data leaders have a clear idea about how they’ll unlock value from their data. In our study, 100% of these organisations have a specific data commercialisation strategy. The most visionary have developed a single overarching plan that guides and coordinates all efforts across business units and regions. Others rely on several strategies for different use cases. By contrast, data laggards invest more time and energy into compliance-related strategies (Fig. 1). In doing so, they’re missing a huge opportunity for data-driven insight. The vast potential of their data assets remains wholly untapped.

They think big
Data assets provide a treasure trove of information and IP that can radically change the fortunes of a business. Data leaders are determined to unleash this opportunity. When asked about why they were adopting data strategies, they cited ambitious goals. They want to use data-driven insight to develop new products, personalise existing ones, improve marketing and ultimately generate revenue. Data laggards don’t share this vision. They instead focus on low-hanging fruit, such as how their data can support internal compliance or risk mitigation.

They adopt a Pied Piper mentality
Too many executives develop data commercialisation strategies in isolation. Data leaders are different. They believe all departments should buy into their data commercialisation efforts. So, while their strategy is typically led by IT, they also field views from across the business. Operations and procurement/supply chain management functions are integral players, as are product development, risk and compliance, and R&D teams. What’s also interesting is that data leaders are three times more likely than laggards to engage their legal functions (Fig. 2). This cross-departmental mentality is vital to ensuring data commercialisation strategies not only work but also deliver true business value.

They look over the wall for insights
Data leaders rely heavily on outside opinion when developing their data commercialisation strategies. In our study, 90% of data leaders say they extensively consult external experts, compared to 67% of data laggards. From our experience, external experts bring objectivity to discussions. They can identify overlooked opportunities, benchmark your performance and ideas against others, and ensure legal compliance. They can also help you access talent that is otherwise difficult to develop or hire.

They balance risk with reward
Data commercialisation efforts often veer into unchartered territory, particularly at the start. Executives rarely have experience in unlocking data value at scale. This means they’ll need to accept a degree of commercial and technological risk and be willing to experiment and fail fast. What’s interesting from our research is that data leaders appear to be better at controlling these risks. It reveals that 85% of data leaders adopt strict governance processes to guide decisions about which data commercialisation projects to back. This falls to 67% for data laggards. Clearly, data leaders are keen to ensure all risks are calculated.

Fig. 1: Data commercialisation versus data compliance

Our strategy focuses on governance and compliance

<table>
<thead>
<tr>
<th>LEADERS</th>
<th>LAGGARDS</th>
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</thead>
<tbody>
<tr>
<td>87%</td>
<td>13%</td>
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We have several data commercialisation strategies for different use cases

<table>
<thead>
<tr>
<th>LEADERS</th>
<th>LAGGARDS</th>
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<tbody>
<tr>
<td>62%</td>
<td>38%</td>
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We have a single data commercialisation strategy that guides all our efforts

<table>
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<th>LEADERS</th>
<th>LAGGARDS</th>
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<tr>
<td>75%</td>
<td>25%</td>
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Fig. 2: Who develops your data commercialisation strategy?

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<tr>
<th>LEADERS</th>
<th>LAGGARDS</th>
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<tbody>
<tr>
<td>83%</td>
<td>17%</td>
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</table>

Risk and compliance

Sales and marketing

Operations

IT

Procurement/supply chain management

Product development/R&D

Legal

33%

22%

44%

75%

75%

61%

22%

44%

78%

79%

70%

80%
Data talent: Find the right people to unleash your data assets

In the Big Data Race – as in any race – a strong start is critical. Data leaders have been quick to understand this. They were first to recognise the value of their data, and they were first to recruit the experts they needed to unleash this potential.

In fact, our research shows 90% of data leaders now have all the skills they need to meet their data commercialisation objectives. By contrast, just 42% of laggards can say the same.

How do data leaders attract the brightest data minds? How do they retain these highly sought-after workers? And what can we all learn from their success?

Learning from data leaders

Our research reveals four reasons data leaders are able to recruit data experts. Collectively, they offer important insights into how to attract – and retain – people with the skills needed for data commercialisation.

They offer the full package

Data leaders and laggards are working hard to find data commercialisation experts. Both sides have launched targeted initiatives to find the right people. The difference is that data leaders are significantly more successful (Fig. 3). Data leaders are big players – with a typical turnover of £1bn. That means they’re in a strong position to offer more attractive financial packages and, importantly, the most interesting data challenges.

You’ll find a lot of people with the same job title as me, but the vast majority of them will report to a CIO or a CEO. They may be one or more steps removed from the board.

– a Chief Data Officer

They’re a magnet for data scientists

There is already a war for talent in the data space. This will only intensify. The race is on to attract and retain the brightest minds that can extract true business value from organisational data assets. Data science is one of the most critical and most sought-after skills. Data leaders have been extremely successful at attracting people with this expertise. They are nearly twice as likely to have attracted data scientists who can organise and synthesise data assets. Crucially, they’ve also managed to attract engineers to build the right analytics, infrastructure and warehousing solutions (Fig. 4).

Rather than speaking loosely about data science skills, companies need to recruit people with good mathematical and statistical knowledge, people with data engineering and coding ability and people with good business acumen and business understanding. Data scientists rarely tick all three boxes.

– Thomas Ridings, Analytics Engagement Manager, Intent HQ

They don’t just attract data scientists

Data leaders know that they can’t just rely on data scientists and engineers if they are to truly unleash value from their data. They also need people who can transform organisational processes, policies and cultures. Overall, 86% of data leaders say they have a high or moderate level of capability when it comes to change management expertise. For data laggards, this drops to just 54%. Similarly, data leaders have also managed to attract experts with strong communication skills. This is key. It helps executives to not only coordinate teams but also motivate them to take action (Fig. 4).

Rather than asking if the data makes a difference, or if the data makes a compelling case for doing so (Fig. 5), data leaders ask whether their data can drive change.

They don’t always see data as ‘king’

How much should executives rely on what the data shows? And what are the implications of blindly following the authority of an algorithm? These are big and novel questions. Executives are taking a cautious approach. They follow their human insight and are not unduly swayed by the data. This is particularly the case among data leaders. Executives at these organisations are less likely to change their minds if data makes a compelling case for doing so (Fig. 5).

This could evidence healthy scrutiny of the data and application of experience. Equally, it could indicate that, as larger organisations, data leaders find it harder to change their agreed approach, even if the data suggests a different course of action. This could be a failing of corporate governance.
Regulation: Making sure your data doesn’t become a liability

Data may be your organisation’s greatest asset, but it can quickly turn into your greatest liability. Regulators around the world are tightening their grip on the way data is collected, stored and used. It’s critical you adopt the right measures to ensure compliance.

Today, there is a rich tapestry of international regulations to consider. Before you begin to commercialise your data, you must understand the requirements in each jurisdiction. Fail short, and you’ll face significant reputational and financial damage.

Yet, as our data leaders show, it is entirely possible to meet regulatory requirements and still extract tangible value from your data assets. The key is that these organisations don’t see regulations as a threat – they see them as their North Star.

Learning from data leaders

How can you push ahead with your data commercialisation efforts while still ensuring regulatory compliance?

We set out the three habits that help data leaders stay on top of regulatory requirements and ultimately pull ahead in the Big Data Race.

They don’t see regulations as a tick-box exercise
Data leaders and laggards have taken equal measures to comply with the GDPR. Both assessed their customer journey and marketing consent processes. They told customers about the data they collected and how it was used. And they put in place procedures to spot and respond to breaches. The difference is that laggards did these exercises largely because the regulations forced them to do so. Leaders, meanwhile, were more motivated by how these efforts could also help them build trust with customers and better commercialise their data. That not only helped them develop effective communication strategies, it also informed the design of their customer journeys and products.

They keep privacy front of mind
Data privacy is a rapidly changing area and one that will become one of the biggest battlegrounds over the next decade. Data leaders are making concerted efforts to keep track of developments in this area. Just 37% of data leaders say they need to significantly increase their understanding of data privacy regulations (Fig. 6). Interestingly, they are also investing in digital technology to ensure compliance. In our study, 48% say they’ve recently updated the software they use to adhere to privacy regulations. Just 27% of laggards have done the same.

They know their data landscape
Our research reveals that data leaders have a strong handle on how data flows across their organisation. Just 39% say they need to improve their understanding of this, compared to 52% of laggards. This is critical, not least because the GDPR requires organisations to maintain records of data processing. It also promotes better data security, helping you reach the right decisions about which data assets to protect and how to apply this protection. It also ensures you can efficiently deal with individuals’ data requests, including requests to access copies of data or to erase data.
Every second, billions of data points flow across your organisation. Somewhere within this vast shoal of data lie insights that have the power to transform your business’s future. Yet, if you don’t have the appropriate tools, you’ll never realise these opportunities.

The right infrastructure allows you to go beyond the storage and management of your data to effectively analyse it, too. The goal should be to gain as close to real-time insight as possible.

The world of data infrastructure moves quickly. The emergence of new digital technologies and regulations are changing the rules of the game. We set out how data leaders are staying one step ahead.

**Solid foundations: Embedding the right data infrastructure**

Learning from data leaders

In our study, 76% of data leaders say their data infrastructure is optimised for data commercialisation. This compares to just 42% of laggards.

We set out the five behaviours that allow data leaders to easily extract tangible value from their data assets.

**They favour in-house builds**

The first thing you need to decide is whether you will buy or build your data infrastructure. Interestingly, our research reveals data leaders prioritise in-house solutions, with just 30% buying data analytics software from third-party providers. Building your own data infrastructure is often a more expensive and risky option. Yet it is also true that it allows you to create bespoke solutions that fit your specific needs. Similarly, using a platform that is not readily available to the market could deliver a competitive edge.

**They understand the full compliance jigsaw**

Pooling data assets from the breadth of your organisation allows you to access richer datasets and richer insights. But sharing data across borders can also trigger data localisation requirements. Data leaders consider this issue much more closely than laggards. In our study, 65% of data leaders think about whether their data storage solutions comply with regulatory restrictions on cross-border data transfers. Just 24% of laggards do the same. Considering this upfront ensures you reach the right decisions around where your data infrastructure is located and who can access your data assets.

**They recognise the power of machines**

It is impossible to analyse high-volume datasets and find correlations at a sufficient velocity, without the help of advanced digital technology. Data leaders recognise this. They pour money into cloud computing and have started to scale up their adoption of other advanced digital technologies. They’re now twice as likely as laggards to have invested in robotic process automation, machine learning and other artificial intelligence technologies (Fig. 8). As data assets become increasingly large and unstructured, this trend will only accelerate.

**They embed durable solutions**

Data protection authorities have flexed their muscles by recently announcing major fines on the likes of British Airways and Marriott. A clear imperative now exists for companies to not only prevent data breaches but also detect and deal with them quickly. Given that context, it is surprising that cybersecurity is not more of a priority for both leaders and laggards (Fig. 7). Data leaders are, however, concerned with embedding durable infrastructure. They’re twice as likely as laggards to ensure their storage solutions can cope with power outages, natural disasters and other unforeseen events.

Learning from data leaders

We have the same challenge that everybody else does around the globe: we have a lot of legacy infrastructure. We have a ‘lift and shift’ approach to move into the new world. But it is a slow process. To speed this up, we’re using third-party cloud services such as Amazon and Microsoft.

— a Chief Data Officer

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**They chase lightning-fast insights**

The market leaders of the future will be those that unearth data-driven insights the fastest. There’s no point in finding out that a customer is looking to buy a new smartphone several months after they began browsing or in displaying location-driven or personalised content a few minutes after the customer has left. Data leaders are racing to take pole position. Our research shows that 68% of data leaders prioritise the speed of data access when choosing data storage solutions (Fig. 7). At the same time, they remain mindful of costs. To balance these sometimes-conflicting priorities, data leaders have turned away from on-premise solutions. 76% have now moved their data infrastructure to the cloud.

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Good governance: Protecting your data (and your organisation)

Too many businesses fail to maximise their data because they’ve not invested in the assets that they have or the tools they need to exploit them. At best, this leaves them unable to seize opportunities. At worst, it means they’re unable to effectively manage their business.

A strong data governance framework will help you avoid these pitfalls. It should serve several goals, including clear communication, risk mitigation, cost efficiency, and regulatory and legislative compliance. Once it’s in place, you’ll stand a much better chance of unleashing the true value of your data.

As our data leaders show, good data governance is not a ‘once-and-done’ exercise. It should be an ongoing, flexible and iterative process. We look at how these organisations are putting in place robust and sustainable frameworks.

Learning from data leaders

Data leaders take data governance seriously. Overall, 79% say their data commercialisation efforts are underpinned by fit-for-purpose data governance frameworks. By contrast, just 54% of data laggards can say the same.

We set out the four factors that help data leaders establish their thinking around good governance.

They focus on procedures, not just people

Organisations often think a data governance framework is just about the appointment of data stewards, who are tasked with enforcing data compliance across the organisation. Yet this is not enough to ensure the correct use of data. Data governance frameworks should also set clear procedures around who can access data and how it can be used. This is the approach most data leaders take. While they don’t overlook the need for data stewardship, they are much more likely than laggards to put a clear set of standards in place to define who can access different datasets (Fig. 9). This is critical to ensuring the dynamic use of data assets.

They feed systems with high-quality data

When it comes to data, what you get out reflects what you put in. If you feed your systems with poor-quality data, you’ll only gain poor-quality insights. Our research shows data leaders are eager to avoid this by creating clear rules around data entry. Overall, 99% say they have a data input governance framework that covers most types of data. This, for example, may stipulate how data is added and reviewed. It may also establish clear taxonomic guidelines. By contrast, laggards typically adopt an incomplete patchwork of measures that only relate to certain types of data.

They know who leads the charge

Accountability is a core tenet of good data governance. Someone within your organisation must retain overall responsibility for your data commercialisation efforts. Every organisation will have a different view on who should this be. The key is that the individual has a solid understanding of your data estate and the potential value within it. Every data leader we surveyed had already tasked someone to lead their data commercialisation efforts. By contrast, a worrying 21% of data laggards are yet to appoint anybody.

The most mature Telcos have a data champion such as a Chief Data Officer or Chief Digital and Data Officer. This isn’t necessarily a legal or compliance person nor a technology specialist. It is someone who is not only well-versed with data and technology but also commercially focused. Telcos that invested in that function have an awareness of what is feasible and what is not.

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Data democracies: Adopting a culture of collaboration

Collaboration – both internal and external – is critical to data commercialisation success. To unearth the most powerful business insights, you’ll need to open your data assets to the right people across your organisation. You’ll also need to develop symbiotic data relationships with third parties.

To successfully collaborate, you must strike the right balance between openness, security and compliance. Ultimately, you’ll need to underpin your connection efforts with watertight arrangements around privacy, security, regulations and ethics.

We set out how data leaders have managed to grasp these thorny issues to create true data democracies across their organisation and beyond.

Learning from data leaders

Big data requires volume. When data is stored and managed in disparate silos, it becomes impossible to unearth the powerful insights that lead to competitive edge.

Data leaders are significantly ahead of the curve when it comes to sharing and using their data assets effectively. Our research shows 66% adopt a flexible approach to sharing data insights across their organisation. A further 90% have set up data libraries to help employees understand the information that is available to them – nearly double the proportion of laggards (Fig. 11).

They believe in strength in numbers

Data leaders are more open to data sharing across their business. Our research shows that laggards typically only allow teams to access and use data if it’s been collected by their own business function. However, leaders regularly allow closely aligned teams to access and use data – for example, sales and marketing, and risk and finance. A further 18% allow business functions to access and use data from across the full breadth of the business.

People across the enterprise want their data in different ways. Some people like structured written content but others will prefer a self-service platform, so it’s about suiting the output to the audience and the type of message.

– Will Sprunt, CIO, Deliveroo

But they also adopt robust controls

Leaders ensure their culture of data openness is underpinned by robust internal controls. In our study, 75% of leaders consider the ‘sensitivity’ of data when deciding whether it should be made available to other teams. This includes reviewing privacy, security, regulatory and ethical considerations. By contrast, just 45% of data laggards do the same. Without a clear handle on these issues, data collaboration will lead to greater risk, not greater opportunity.

They adopt flexible approaches to data sharing

Teams across your organisation have different data needs. They also have different preferences for how they access data assets. Data leaders have been quick to meet this demand. Our research shows 66% adopt a flexible approach to sharing data insights across their organisation. A further 90% have set up data libraries to help employees understand the information that is available to them – nearly double the proportion of laggards (Fig. 11).

They’re willing to work with social media platforms

The Facebook/Cambridge Analytica scandal and the French data protection regulator’s fine against Google have created an obvious nervousness around collaborating with digital media platforms. Yet, these organisations offer a deep level of insight around consumer behaviour. This is often the final piece of the jigsaw in your data commercialisation efforts. Data leaders are wary, yet they are proving to be more open to working with social media platforms than data laggards (Fig. 12). It’s likely that they have a better understanding of the risks and how to address them as well as what they can achieve from a successful partnership.

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Fig. 11: Data sharing strategies

LEADERS

LAGGARDS

We have set up data libraries

Fig. 12: Partnerships in the last 18 months

LEADERS

LAGGARDS

Retailers

Payment processors

Social media companies

Competitors in own industry

Payment

processors

17%
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