

## Avoid Strategic Mistakes in Enterprise Analytics

Many business leaders face the challenge of taking their companies to the next level for growth and the ability to navigate volatile markets. They know that having a pervasive data and analytics culture that drives the business forward is critical to having a competitive edge and will drive industry-leading innovation.

Treating data as an organizational pillar, like the customer, is instrumental to reaching their goals. But developing, implementing, and executing an enterprise analytics strategy that supports this vision is a daunting task, even for the most seasoned data executives.

Facing pressure to deliver results quickly, CDOs and CIOs need to rationalize shortcuts without compromising the principles of a good enterprise analytics strategy. They need to balance the need to provide value fast - and the need to deliver it right.

They also need to commit to data culture as long-term investments while evaluating ways to jumpstart their strategy using today's various tools and techniques. They face difficult choices and must avoid costly missteps along the way.

This Insight Paper reveals three common mistakes that CDOs and CIOs encounter when developing an enterprise analytics strategy and offers recommendations on how to avoid them.

### 3 Mistakes to Avoid in Enterprise Analytics Strategies

1. Outsourcing your analytics competency
2. Failing to recognize the value of analytics platforms
3. Not leveraging executive-level pressures correctly

### Mistake #1: Outsourcing your Analytics Competency

As CDOs and CIOs consider their enterprise analytics strategy, one of the first things many do is assess their analytics talent. Often, they find gaps in their talent pool, with internal resources lacking some or all of the skills needed to support a modern data culture. Too often, in a rush to deliver results to the business, CDOs and CIOs engage a consulting firm to step in and provide the analytics expertise their teams' lack.

This is a big mistake. While outsourcing these skills provides a quick fix when filling the talent gap, it's not a viable, long-term strategy for the organization. It drives up costs, limits the organization's agility, and extends time-to-insight, especially when changes occur. More importantly, outsourcing these skills discourages existing employees from upskilling because they view analytics skills as part of someone else's job.

Data and analytics must become one of the organization's core *internal* competencies in order to have a pervasive data culture. It requires an investment - in developing and upskilling existing resources and hiring new skill sets that provide more profound levels of expertise within the data organization.

Investing internally also supports the shift in the company's mindset. Leading organizations with data-driven cultures have uncovered significant value by democratizing data for all their employees, customers, and partners. This transformation doesn't happen overnight but embracing an enterprise analytics strategy - and investing in the right resources to support it - increases the odds of success.

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**“The democratization of analytics is at the core of true digital transformation.”**

— Paula Hansen  
President & Chief Revenue Officer, Alteryx

While outsourcing your analytics competency is not a favored, long-term strategy, there is a time and place for external support. For example, companies can realize short-term value using partner resources to jumpstart their analytics strategies. Tactically, these partners can help fill the skills gap while organizations upskill their existing data team to advance their analytics maturity. And because these short-term resources are experts in their craft, there is a lot an organization can learn from them related to approaches, efficiencies, and how they deliver value.

**“One of the biggest mistakes I see companies make is outsourcing their analytics competency. For businesses to develop a mature and thriving data culture, analytics must become an internal, core competency.”**

— John O'Brien  
Data Strategy and Architecture, Radiant Advisors

## Mistake #2: Failing to recognize the value of analytics platforms

More than ever, a myriad of analytics tools and technologies compete for attention in the market. Some claim sole-source is better, providing a full suite of products from a single vendor where each solution inherently integrates with the others. Others believe in best-of-breed, where specialized solutions are distinct and designed to solve a specific challenge or fill a missing piece of the puzzle. But because each solution comes from a different vendor, they are not always integrated, putting the onus on the company to ensure they provide a seamless experience for the end-users.

But somewhere in between are vendors providing analytics platforms and ecosystems that offer robust capabilities and partners that align with the environment and skill sets needed to succeed in an enterprise analytics strategy. Vendors that provide an open platform like this will allow companies to do more with data and analytics without the disruption that comes from switching tools, moving data, or dealing with differing terminologies, user experiences, and conversions.

Vendors who provide these platforms include meaningful technology partnerships as part of their ecosystem. They offer communities of support, certifications, and accessible professional training programs that help expand domain knowledge and expertise, allowing companies to build a more substantial analytics competency in-house. Companies can use these resources to upskill their employees and provide a strong community of like-minded users to share learnings and offer tips, tricks, and best practices.

Providers of analytics platforms and ecosystems also understand how personas across the organization work, step-by-step, with the data. They prioritize and align important components within their collaborative platform. And they help organizations execute their enterprise analytics strategy across a range of knowledge workers, not just those with highly specialized coding skills or data science degrees.

When considering a platform that best supports the organization's enterprise analytics strategy, CDOs and CIOs should ask the following questions:

- Are the analytics tools they are considering part of a broader platform that provides all users, regardless of their level of expertise, with a seamless experience?
- Does the vendor provide a robust partner ecosystem that includes consulting and training partners and communities of practice?

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- Will partnering with this vendor provide the organization with access to resources such as certifications and professional training programs that provide upskill opportunities for their data team?
- Are the analytics tools accessible to a wide range of personas? And are they easy for users to adopt without the need to become an expert or power user?

### Mistake #3: Managing executive-level pressures correctly

While business leaders look to CDOs and CIOs to develop the enterprise analytics strategy, they may also pressure them to select a particular analytics vendor or consulting firm. There are many reasons why this may occur. The business leader may have an existing or past relationship with a specific vendor they wish to preserve. Or there may be an existing relationship or agreement that the business leader wishes to leverage.

Regardless of the reason, the initial reaction of the CDO or CIO can be to resist the pressure and make a case for a new or different analytics platform that they believe aligns better with their enterprise analytics strategy. But resisting may cause friction with the business leaders and stall the implementation of the overall analytics strategy.

Instead, CDOs and CIOs should view these mandates as an opportunity. Support the vendor or firm the business leader suggests as a component of the overall data landscape while building the core analytics competency in-house.

#### Buyer beware:

It's imperative to avoid lock-in scenarios and not yield to pressure when an external vendor insists on exclusively ingesting and hosting your company's data while delivering black-box style analytics-as-a-service.

You should share enterprise data from your data ingestion and storage while making their services part of your analytics service architecture.

Because there are many use cases that the analytics strategy needs to support, assess how the solutions and services that the inherited vendor provides can jumpstart the execution of the enterprise analytics strategy. For example, does the vendor offer a level of expertise that can temporarily fill a skills gap on the team while providing upskilling opportunities for existing resources?

By correctly leveraging the executive pressure, CDOs and CIOs can satisfy their business leaders' requests and jumpstart their programs to build analytics competency in-house

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## Conclusion and Takeaways

Developing, implementing, and executing an enterprise analytics strategy is a critical step in supporting an organization striving for the next level of growth, competitive edge, and innovation. But realizing value from an enterprise analytics strategy takes time. CDOs and CIOs who are embarking on the journey to create and execute an enterprise analytics strategy must avoid costly mistakes that could cause their initiative to veer off track.

### Recommendations for CDOs and CIOs:

- 1. Invest in building analytics competency in-house:** to have a thriving data culture, organizations must invest in upskilling their existing teams and leverage projects as learning opportunities. This long-term investment will drive increased value for years to come.
- 2. Recognize the value of an analytics platform and ecosystem:** vendors who take a platform approach deliver greater efficiencies - and their solutions are more pervasive and more easily adopted by users across the organization. They also often provide strong partner networks, communities of practice, and certifications and training that help build analytics competencies.
- 3. Determine the best way to leverage inherited vendors and firms:** when faced with pressure from business leaders to adopt specific analytics vendors or consulting firms, don't resist. Instead, evaluate where they can fit into the data landscape and how they can jumpstart the ability to deliver value to the business.

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