

Every business is driven by data



By Gary Allemann

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The term 'data-driven' has emerged to describe a decision making process that is compelled by evidence (data) rather than by intuition. It has received particular attention in marketing where, historically, marketers could not quantify the return on their marketing spend.



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Using new technologies, such as big data and social media, marketers can better measure the effectiveness of campaigns. More focused marketing efforts based on these analyses reduce acquisition costs and boost the value of the customer's acquired. Arguably, every business is data-driven. This does not necessarily mean that our decisions are based on data, but our operations are.

Without accurate, consistent, appropriate data the implications for any business are far more serious than the lack of trusted data for decision making – although this is a real concern.

- Poor quality data dilutes the customer experience – making it more likely that a customer will seek greener pastures.
- Supply chain data errors cost companies an estimated 2% to 4% of turnover a year.
- Billing issues impact cash flow and create unhappy customers.
- Unforeseen data anomalies delay IT projects and can lead to user rejection of expensive new systems such as CRM or enterprise data warehouses.

Any one that does not believe that they are data-driven should try switching off their systems for a day or two to see how they cope.

Data is not an IT problem

It is time for business to recognise that an investment in data must go beyond technology to embrace a change in the way that we, as business people, manage and use data. The principles of data governance – a set of policies and guidelines for the appropriate use of data with appropriate business authority – cannot be allocated to IT departments. This is not because they do not have a critical role to play but because they do not capture, use, change or delete data.

Being data-driven can mean allowing bad data to continue to compromise effectiveness and productivity. It can mean also mean optimising our approach to data management to maximise profits.

ABOUT GARY ALLEMANN

MD of Master Data Management He is passionate about Information Communication Technology (ICT) and more specifically data quality, data management and data governance.

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