THE HIDDEN COSTS OF IT CHARGING FOR ANALYTICS-READY DATA

3 KEY WAYS CIOS CAN EMBRACE THE NEW ECONOMICS OF BUSINESS INTELLIGENCE

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WHAT'S HAPPENING

Is your organization still charging teams for basic access to data? For many CIOs today, the hidden costs of this legacy model are becoming increasingly clear. In almost every situation, cross-charging for data prevents you from achieving true data-driven business transformation.

Let's say that your company's sales department wants a list of all recent sales orders. Traditionally, they would have to make a formal IT request for that information—and then pay a substantial fee (cost center cross-charge) for the privilege of receiving raw, albeit cleansed, data. In the past, this system made sense: teams operated in silos and only IT held the keys to the data. Building data models and visualizations was also a lengthy and arduous process requiring very specific skill sets.

Back then, decision making in general also tended to be more oriented around experience and intuition rather than as a direct result of observing existing or predicted patterns in data. For IT teams, that meant fulfilling information requests was less time-sensitive—teams could generally afford to wait weeks for data.

FAST-FORWARD TO TODAY AND THE WORLD LOOKS MUCH DIFFERENT.

IT no longer solely occupies the role of your organization's data keeper. What's more, demand for access to data is rising exponentially—every department wants access to customer and corporate information **and they want it now**.

We've also seen the emergence of Direct Data Mapping and self-service business intelligence (BI), which open up and democratize access to data so that every individual across the organization has the power to query and explore data on their own, no special technical expertise required.

In today's world, charging departments for basic data access isn't just outdated—it perpetuates siloed thinking and severely limits an organization's ability to keep up with the pace of modern business. How do you break free from this legacy model and lay the groundwork for becoming a truly data-driven business? Here are three key actions CIOs can take now to ensure their organization doesn't get left behind:

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FOCUS ON BUSINESS NEEDS, NOT DATA LIMITATIONS

As a CIO, you need to determine the optimal usage of your resources, which are often constrained and under intensive scrutiny by your finance department. Against this backdrop, the old model of charging other departments for basic access to data may still look like a reasonable and effective approach—at least on the surface. With a little digging, however, it's easy to see why that's no longer the case.

At many organizations today, sales, marketing, and other departments already view the customer and corporate data being generated by the systems in their purview as their information. As such, they often resent and struggle to understand the need to pay an "entry fee" to access that data. It's a model that reinforces existing divisions between business and IT, and may also lead to rogue behavior, such as pursuing their own data strategies without involving you, the CIO. When that happens, it can quickly lead to a host of other issues related to data governance and fidelity, which typically fall in your wheelhouse.

> *"When our CIO said, "You can no longer charge for basic access to data" it changed everything. In that moment, we finally saw a clear path to becoming a data-driven organization from top to bottom."*
> CMO, FINANCIAL SERVICES COMPANY

What can you do? Stop charging teams for basic access to data. Instead, focus your team's energies on more urgent and higher-value activities, such as data enrichment and advanced analysis. Funnel analysis with machine learning and predictive analytics, for example, is highly valuable and still out of reach for everyday business users, which makes it easy to recognize the benefits of having someone else do it for them. The same goes for enriching data sets with new sources of data that can provide business users with greater visibility and insight into the decisions they are making. For instance, in the case of a financial services company looking to expand into wealth management, overlaying data from external sources about disposable income levels and average 401k contributions in particular zip codes to give a sales team richer insights into their target customer lists.

IT can absolutely continue charging business units for these types of activities. But when it comes to basic access to data and simple enhancements like visualization—that's another story altogether.

Ultimately, as CIO, you don't want to perpetuate old models or position IT as the enemy of innovation and progress—especially when it comes to data democratization, which is a wave that cannot be stopped. To help your IT staff understand the merits of abandoning the traditional model of charging for basic access to data, it helps to frame the transition in terms of the opportunities it can create. In addition to freeing up individuals to focus on more interesting, higher-value projects, it also paves the way for every department—including IT—to shift from being purely a cost center into becoming a profit center.

RECOGNIZE THE GROWTH OF ANALYTICS SKILLS OUTSIDE OF IT

There was once a time when CIOs could rest assured that the technical know-how of the organization resided squarely within the IT department. But those days are gone, and they aren't coming back.

Today, technology-savvy individuals are spread across all areas of your organization, particularly millennial hires who have never known a world which didn't run on computers and data. You now have business users with PhDs in data science operating outside the walls of IT who are eager to take advantage of self-service BI and build their own analysis. Preventing them from accessing data is the last thing you want to do as a CIO in today's business environment.

In dismantling previous practices like charging for basic data access and positioning IT as data gatekeepers, you can signal to these staffers in other departments that your teams are keen to partner with them. In this way, you as CIO can ensure that you maintain a good sense of how data is being accessed and transformed across your organization. You can position your IT department as a center of excellence for data best practices—and one that sets the rules after consulting with the data experts that are spread across the company.

In thinking about your role with regard to data, keep in mind the old adage about teaching people how to fish—except with a slight twist: When it comes to business intelligence, today's business users already know how to fish. What they need from you is access to the lake. Keep it locked up and you are on the hook to provide enough fish for everyone every day. Give them access and they will feed themselves — and find great purpose and enjoyment in the process as well.

"As a financial services company, everyone who works here is good with numbers and many have advanced degrees in mathematics or data science. Preventing them from accessing the data just doesn't make sense for anyone. With Incorta, we can finally clear the bottlenecks that get in the way of better decision making across the entire organization."

CIO, FINANCIAL SERVICES COMPANY

DON'T LET THE FUTURE PUSH YOU OUT OF THE WAY

Today, there's consensus across industries that the data being generated within organizations holds intrinsic value. Looking ahead, demand for access to this data will only continue to increase by leaps and bounds. For CIOs that stick to the old cost-center model for data access, it's a long road filled with frustration and missed opportunities.

As a CIO, you want to do everything in your power to help support the rise and adoption of self-service BI across your organization. Why? Because you want to free up your IT staff from having to deliver massive amounts of analytical dashboards when business departments equipped with the right technology are fully capable of doing it themselves.

If you can't meet your organization's need for data, perhaps the C-suite will look to someone else instead.

Enter the Chief Data Officer, a more recent executive role, which keeps shifting its primary focus. According to the Gartner Research Board, the "CDO 4.0" is someone who focuses heavily on data and analytics products, not to mention managing profit and loss—tasks that were previously under the remit of the CIO. In fact, many organizations today are witnessing an internal battle for power between CIOs and CDOs, as each executive tries to determine their ultimate responsibilities and reporting structures.

Breaking with antiquated processes and driving organizational change is how you as CIO can signal your belief in the growing value of data, as well as show that you are the person who can lead your organization through data-driven business transformation.

The danger of not backing the shift to self-service BI, of course, is that it will go ahead without you, even in spite of your objections. Think of an organization's desire for data as analogous to water: If you put up an obstacle to water, it will simply flow around it. It's the same for any kind of barrier you as CIO might keep in place to try to control the flow of information, such as charging for basic data access.

On the other hand, when your role—and that of your IT department—is seen as paving the way forward by embracing self-service BI, you become a key enabler and trusted ally to the business. In this way, you can build or further strengthen a collaborative bond between business and IT, and secure a data-driven future for your entire organization.

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INCORTA: HELPING CIOS EMBRACE THE NEW ECONOMICS OF BUSINESS INTELLIGENCE

As CIOs like yourself realize the full implications of self-service BI, you see a need to embrace organizational change alongside technological innovation. In order to work more harmoniously with business counterparts, you want to ensure that your IT department focuses on delivering data value. It's therefore crucial that the CIO spearhead the charge to abandon the outdated practice of charging other departments for basic data access. In today's world, data belongs to the entire organization and every department has staff eager to analyze that information.

Incorta puts in place the technologies to democratize business intelligence, which enable CIOs to:

Focus on the Needs of the Business, Not the Limitations of the Data
Instead of being the gatekeeper who restricts access to your organization's data, make the necessary organizational changes so that you as CIO become an information force multiplier to the entire organization. Help your IT department determine where and when they can add value to data to help their peers in other departments uncover and potentially monetize previously unknown insights.

Recognize and Leverage Analytics Skills Outside of IT
Realize the technology strengths that exist outside of your own IT department and work in collaboration with those employees. Note how quickly an organization like Shutterfly (PDF) was able to implement Incorta and empower its staff in supply chain management and procurement. Effectively, the dashboards that team built meant that Shutterfly was able to recoup a three-year investment in Incorta within three-months.

Embrace the Future, Don't Let it Push You Out of the Way
The move towards organizations embracing self-service BI is an unstoppable force, so CIOs like yourself need to avoid creating obstacles to adoption and instead start enabling data democratization. In this way, you can make sure your organization is successful with self-service BI by focusing on empowering your staff and supporting their data curiosity, while still maintaining a degree of oversight.

ACTION PLAN

1. Stop charging for basic access to data
The IT team no longer has a monopoly on data expertise. For many companies today, business users with PhDs in data science can be found in every corner of the organization. What's more, advances in technology are making data science more accessible to everyone. The last thing you want to do as CIO is get in the way.

2. Invest in technologies that introduce efficiencies around data access
For most companies today, outdated technology is the root cause of many inefficiencies surrounding data, analytics, and business intelligence. Eliminating slow and expensive processes like ETLs and star schemas can have a transformative impact on becoming a truly data-driven organization.

3. Focus on keeping the data secure, accurate, and auditable
When your team is no longer tied up with managing basic access to data, running queries, and delivering reports, they can focus on more critical activities. For instance, keeping the data secure, ensuring baseline data accuracy, making data more auditable, and generally improving the overall performance of your data analytics stack.

4. Prioritize more impactful data enrichment
Opening up basic access to data also frees your team up to focus on more valuable aspects of data enrichment as well. For instance, performing advanced analytics using AI and predictive modeling, as well as improving the fidelity of data sets with auxiliary data.

THE DIRECT DATA PLATFORM™

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