



# Industry Insight: Get the Most Out of Your Data for Strategy Success

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## Introduction

Strategic planning for your business is an elaborate process detailing where the business is now, where we want it to be in the future, and how we plan to get there, with potential obstacles considered. It is an intricate structure of information containing high-level goals and defining where each aspect of the business lies in achieving those goals. However, we need a way to measure and quantify each of these aspects to track how the business is progressing towards its goals with the current strategy.

Data from a wide array of sources is at the heart of evaluating business strategies, and when used correctly, will provide an assessment of current efforts and give insights to when it is time to realign business strategy. For business leaders, years of tribal knowledge and domain expertise alone is not enough to build a well-performing business strategy. Leveraging data, coupled with years of experience, allows business leaders to create a strategy to perform in their current conditions as well as is adaptable when a pivot in strategy is required due to disruptions and changes in the business landscape.

It is easy to be clouded by confidence in an existing strategy. Likely, hours of work and planning across multiple business units went into the strategy currently in place with leadership support. But the same strategy may actually be ill-performing, obsolete in the current conditions, or implemented incorrectly. Data is the resource that grounds business leaders to understand what is happening now. Leveraging this resource allows business leaders to evaluate existing strategies and adjust where necessary based on current conditions instead of emotional attachments to what has worked in the past.

Still, it is much easier to understand the importance of data in the strategic planning process than it is to implement it. Outlined below are some crucial prerequisites to incorporating data into a business strategy and checkpoints for where and when data can tell us a realignment in strategy is necessary for future success.

## Aligning Data Strategy and Business Strategy

First and foremost, a sound data strategy is needed before insights can be gathered from your data. A data strategy details the collection, organization, analysis, and delivery of data across your organization to support your business objectives. Within each component, the people, processes, and technologies involved should be captured to ensure data is governed

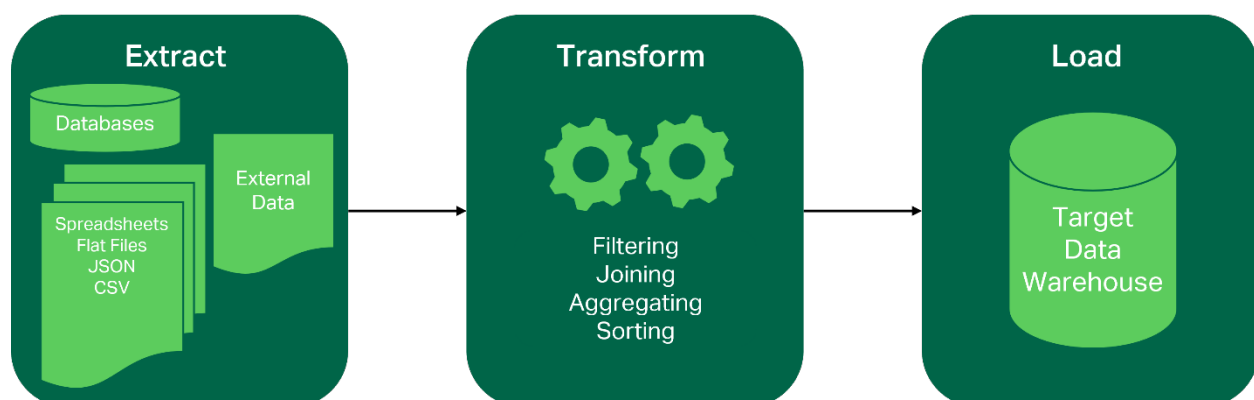
properly and responsibilities are clear. Your data strategy is ultimately driven by the overall business strategy, and it is critical that the two are aligned.

If data is not aligned with business strategy, there will be a significant gap in evaluating and tracking the current approach. This leaves business leaders in the dark, with only perceived gut feelings and prior knowledge to gauge if a business strategy is successful. Similarly, a misaligned data strategy may provide erroneous insights to the performance of the business which leads to poor decision making across the business. Over time, confidence in the insights diminishes and data is seen as a less valuable asset to the business.

An important step in aligning data with business strategy is determining what data is required to measure the performance of initiatives. In achieving this, a caveat to understand is that existing data collection efforts may not be enough to satisfy requirements and may not be the correct data to model and evaluate strategic aspects of the business. Business goals should be concise with metrics identified to measure performance before determining what data will be used to support the initiative.

### Access to Quality Data Across the Organization

An additional aspect of incorporating data in your business strategy is to ensure business leaders have a simple and reliable way to access reporting and analytics which provide the information to evaluate strategic initiatives across the organization. Data may be dispersed across an array of systems, each with different primary business unit owners. Aspects of the business strategy will certainly touch multiple areas of the business and leadership will need to track progress in all areas, both individually and collectively. When information is siloed within a specific business area, other areas or functions cannot easily access the data required to measure the impact of a strategic initiative. Moreover, business areas outside of the siloed data rely on ad-hoc requests to connect data points and generate insights. Without a process in place to connect disparate data sources and validate the combined data, we may see completely different results from similar analyses with no way to know which provides the highest quality results.





Recently, we worked with an ecommerce business who was having cost increases passed along to them from suppliers. Additionally, management thought their prices were much lower than their peers and therefore suffered from lower profitability. In their normal process, the company's product management team would perform spot checks or just apply a blanket price increase. However, leveraging their data, SLKone assisted with integrating specific cost increases as well as developed an algorithm to identify which products and customers were best suited for any additional price changes. SLKone leverage the data the company had been collecting, supplemented by management guidance, our experience, and external data sources to develop an approach which was shared across the organization – bringing sales, product management, marketing, and operations together to collaborate on the approach.

### **Conclusion**

So, not only is data relevant and necessary to a business's strategy, but when properly aligned and accessible, businesses are better equipped to execute new strategies, have the tools to evaluate existing strategies, and can adjust strategies due to improved visibility of impact. If your organization would like to produce smarter insights by leveraging data to evaluate business strategy and realign where necessary, SLKone can help. Reach out to learn how SLKone can help you integrate data into your strategic planning and create versatile bespoke solutions to make your strategy smarter and adaptable.