

Why are business leaders so reluctant to use their data?

Victor Snyder, consultant at BossMakers and columnist at Forbes and Entrepreneur shares his reasons why companies that aren't leveraging their data run the risk of losing customers.

Temps de lecture : minute

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Data runs the world of business. It helps us understand what our competitors, external stakeholders and wider business ecosystems are up to. Perhaps most importantly, it helps us understand customer habits and behaviours, which allows us to make better decisions, anticipate needs, and create a more rewarding – and profitable – customer experience.

Companies that aren't leveraging their data run the risk of losing customers.

"In one recent study, eMarketer found that 72% of consumers are likely to drop a brand or service if they encounter a "disconnected user experience."

Yet according to a report from Splunk research, more than half of all that data we collect goes unanalysed and unused. This so-called "dark data" has enormous potential, but too often it is ignored, piling up with no clear way to use it to make better business decisions.

That mountain of dark data is tantamount to leaving money on the table.

"The issue is so big that the British government is now trying to address it through a National Data Strategy to "drive the collective vision that will support the UK to build a world-leading data economy."

The government is taking a deep dive into what they want 2030 to look like and how data will be used to make this vision reality. While national strategies are laudable, however, businesses don't have the luxury of this long-term approach.

As third-party data collection phases out thanks to GDPR and other privacy measures, brands must turn to their first-party data and leverage it for all it is worth to create a better customer experience.

So why is so much of this valuable data going dark? Let's look at some of the most common obstacles.

Whose job is it, anyway?

Charles Holive, who serves as a managing director at software provider Sisense, believes dark data begins with a lack of understanding of who is in charge of the data and how it's used.

Unless you make it abundantly clear who is meant to derive what types of insights from which data sets, "Everybody is going to assume that somebody else is taking care of the data," Holive cautions in his company's Radical Transparency podcast. "And the result is, nobody does."

But before you can determine whose job it is, you have to decide what

your company wants to do with all that data – or, as Holive puts it, how you will use it to delight your customers.

So while your initial thought might be that IT or BI should “own” analytics, it may be sales, marketing or your customer success unit that needs to stake their claim on it. The IT department will undoubtedly be crucial in the process of collecting the data and ensuring compliance and user privacy, but the decisions on how to use the data will not likely be made there. Ideally, the same people who will be acting on data-driven insights should be those who hunt for those insights.

Truly adopting this mindset starts with a strategic commitment to making data available to the people who can get the most out of it, and in my experience, executives across the organisation have to be on board for it to work.

Developing a data strategy takes work

Even if sales, marketing and customer success take ownership of your data and begin to use it to maximise on opportunities, you can still do more with it in the C-suite.

“Creating a data strategy isn’t a standalone activity; it must be driven by your overarching business strategy,” business technology advisor and analytics evangelist Bernard Marr wrote in a recent column for Forbes. “Therefore, a critical starting point for any data strategy is the business’s strategic objectives.”

Marr gives the example of how Arby’s discovered that their renovated restaurants made more money than their older ones. With this information, the chain invested in ramping up its remodelling program across the organisation.

The real challenge here is not lack of insights. It's a lack of asking the strategic questions data can answer for us. By asking the right questions, we discover answers that can make dramatic shifts to the bottom line.

Compliance fear is real

We're living in the age of GDPR and CCPA. Companies are doing business in a climate of failing consumer trust and massive privacy concerns. This can cause business leaders to shy away from data and all it implies, for fear of alienating their customers or breaking these relatively new and extremely complicated privacy laws.

Part of that concern is justified. Privacy and data handling is a huge source of anxiety for consumers; getting it wrong can be deadly to brand loyalty. According to Cisco's [Consumer Privacy Survey 2019](#), 84% of respondents are concerned for their own privacy, and they want more control over how their data used.

They are putting their concerns into action, too. 48% of that group said they have already switched companies or providers due to data policies or practices.

Shying away from using all that first-party data is the wrong approach, though. Instead, find a good data privacy expert to guide you through compliance, especially in the important areas of customer consent and data anonymity. Invest the time and resources to get your processes in line, then you can feel good about the data you have and put it to use effectively.

Properly collecting, protecting and using customer data allows you to make the customer experience more relevant, more engaging and ultimately more successful.

The velvet rope of data

Back to the question of ownership for a moment, your company may be collecting data according to the strategy you've chosen, but it is getting to the right people who can use it?

Simone DiSomma, founder and CEO of data automation firm Askdata, is a big believer in ensuring that *everyone* at a given company has the ability to reference and explore information about the big picture. "Such a level of access would make it more likely that data guides every decision, and that would lead to more desirable business outcomes over time," he recently wrote. "It might even overtly motivate employees by subtly reinforcing the idea that results are tracked and measured."

Indeed, all too often, data is situated (and goes dark) behind what DiSomma calls "a velvet rope," with strictly limited access that minimises its potential value. Removing silos and empowering employees to access and use this data constructively is the only way to recognise its full value.

Sisense's Holive believes this is where a Chief Data Officer can have a massive impact on a culture level, making sure everyone using data has "a mindset that prioritises the security of the data, but also the opportunity that it represents for the company." In a culture where data comes out from behind that velvet rope to influence day-day-to-day decisions across the company, dark data is brought to the light and insights open up.

Close the gaps

Every company is producing massive amounts of data. Whether it is being properly captured, analysed and used is the real question.

Confront the roadblocks, acknowledge your knowledge gaps and

concerns, and make data an integral part of every business decision. This is where information creates better results.

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