# Optimizing for Data Analytics

## INTRODUCTION

A data-driven organization strives to use data in every decision across the enterprise. When companies embed intelligent data in their everyday interactions and processes, profitability increases along with customer acquisition and retention. Although many firms today use data analytics in some fashion, they still encounter difficulties due to data quality issues, lack of total corporate buy-in, and other reasons that hinder success. In this Insight, we will examine some of the major challenges for enterprise organizations to become fully data-driven, and why optimizing for customer-centric analytics is worth the effort, and often results in firms significantly improving profits and growth.

## THE DATA DEFINITIVE

A data-driven enterprise needs a powerful platform to process and deliver customer data in real-time, and flexible data stores enabled by integrated, ready-to-use analytics. A complete data ecosystem, where customer data is embedded in every decision, interaction, and process, is the ideal framework.

But realizing data value is not only limited to the investment in an intelligent data platform; it is going beyond the technology to take an integrative approach.[1] A company that sees analytics as a strategic rather than a purely IT-related issue, with executives who take a hands-on attitude toward customer analytics and appreciate their importance is also vital.[2] Overall, combining IT investment, with in-house expertise, staff skills, and the development of proprietary analysis models is what can truly make the difference for a firm that wants to embrace a data-driven ecosystem.[3]

## REMAINING DATA CHALLENGES

Having IT and staffing investments along with corporate buy-in can take an organization far in its data-driven mission, but other technical obstacles can remain, especially within larger, complex organizations. The most common growing pains that companies can experience in their efforts to become fully data-driven include:

- **Isolated data silos.** If it's hard to get a consolidated data picture in a single department, it can be even harder to establish a single version of truth across an entire business. This leads to confusion and uncertainty over whose numbers are correct. As a result, the organization can't ensure its people are pulling in the same direction.[4]

- **Outdated information/Data quality.** It's difficult to make headway on major initiatives when project data is in question. Corporate staffers need to have confidence that collected data accurately reflects what is happening so that it will be trusted for active and ongoing use. If an organization doesn't address ongoing data quality issues, it's not surprising that the data won't be used on a regular basis, much less trusted over the long term.

- **Inability to analyze and act in real-time.** Only a fraction of data from connected devices is ingested, processed, queried, and analyzed in real-time due to the limits of legacy technology, the challenges of adopting more modern architectural elements, and the high computational demands of intensive, real-time processing.[5] The expectation is that by 2025, vast networks of connected devices will gather and transmit data and insights, often in real-time, while data generation, processing, analysis, and visualization is dramatically transformed by new and more ubiquitous technologies for faster and more powerful insights.[6]

## DATA LEADER ADVANTAGES

Once an organization can overcome any data quality, processing, or cultural acceptance issues, they can often capture the highest value from data-supported capabilities.[7] The more mature and accurate the customer analytics, the stronger the contribution of customer analytics to performance. Data leaders can gain a distinct business advantage, with customer acquisition 23x more likely, profitability advantage 19x more likely, and customer retention 6.5x more likely.[8]

## CONCLUSION

New forms of data and analytics are giving organizations unprecedented speed, transparency, and important insight into customer preferences. Optimizing for data analytics, despite the considerable technology, process, and cultural shifts can help determine what matters most to customers, prioritize the right questions to ask, and gather respondent feedback for continuous improvement and profitability.

## ABOUT VITECH

Vitech is a global provider of cloud-native benefits and investment administration software. We help our Insurance, Retirement, and Investment clients expand their offerings and capabilities, streamline their operations, gain analytical insights, and transform their engagement models. Vitech employs over 1,600 professionals, serving the world's most successful insurance, retirement, and investment organizations. An innovator and visionary, Vitech's market leadership has been recognized by industry experts, such as Gartner, Celent, Aite-Novarica, and ISG. For more information, please visit vitechinc.com.

1 "Five facts: How customer analytics boosts corporate performance," McKinsey & Company
2 Ibid.
3 Ibid.
4 Ibid.
5 "The Data-Driven Enterprise of 2025," QuantumBlack AI by McKinsey, January 2022
6 Ibid.
7 Ibid.
8 McKinsey Global Institute Report